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# Evolving Perspectives on Business and Books: Practitioner Implications

By

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A Portfolio of Exploration submitted in fulfilment of the requirements of the  
examination for the:

DBA (Business Economics) Degree of the National University of Ireland

University College Cork

School of Economics

Head of School: Dr Eleanor Doyle

Research Supervisors: Dr Eleanor Doyle and Professor Connell Fanning

May 2015

## **DECLARATION**

The Portfolio submitted is my own work and has not been submitted for another degree, either at University College Cork or at elsewhere.

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Vincent Hunt

15 May 2015

*For Bernadette remembered with love  
and our children Róisín and Ferdia for their fortitude and support.*

## **Abstract**

The research subject of this Portfolio of Essays is my 'apparatus of thought' in the context of my professional development. I have examined theory and the application of theory to a professional life. I analyse how my use of theory has changed and enabled my professional development. Each of the three Essays takes a different perspective and applies the theories of adult mental development, business and firm growth as an analytical framework.

Using Kegan's theories of Adult Mental Development as an 'apparatus of thought', Essay One is my reflection on my professional development in the light of my training, education, and development. I describe how changes in my 'apparatus of thought', my meaning-making system, have enabled me to develop my professional practice. Exposure to the theories of Adult Mental Development have also enabled me to understand how my development has precipitated and necessitated my career changes.

In Essay Two, moving from military aviation to book publishing was a major career change for me, enabled by a change in my meaning-making system. In the context of my professional development, I sought to change my practice so that I could make a more meaningful contribution to the firm. To achieve this, I directed my reading towards a deeper understanding of the nature of the firm and the impact of industrial change on the firm.

Using the context of my professional environment in Essay Three, I show how my use of theory has developed. I describe how I sought to change working practices in the firm and discuss the impact this initiative had on my professional self. I use the 'data of my experience' to examine my theory of the business from a Penrosian perspective. The Penrosian perspective coupled with my exposure to theories of Adult Mental Development and the effects of a transformational education process, enabled me to transition to a leadership role with an international online publisher.

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Special thanks to my children, Róisín and Ferdia who patiently walked this path with me.

## **1. Introduction**

Much of the foundation material for this Portfolio in terms of my professional development is drawn from the work of Kegan (1982, 1994, 2001, 2009), Drucker (1999) and Christensen (1997, 2003, 2010) while other areas use the theories of Penrose ([1959], 1995) ‘The Theory of Growth of the Firm’ and Drucker’s (1994) ‘The Theory of the Business’. These readings form the theoretical basis of an analytical framework to assist me in examining my self in the context of my professional life. An analytical framework in the sense considered by Penrose ([1959], 1995:198) as a means “of taking adequate account of the essential and significant heterogeneity” of the theories presented by these authors.

My objective in compiling this Portfolio of Exploration is to facilitate my exploration of my meaning-making system in the context of topics, which are of professional relevance to me, and to gain an understanding of the correlation between my professional development and my sense of self. Exposure to the theories of writers such as Kegan (1982, 1994) and Kegan & Lahey (2001, 2009), Penrose ([1959], 1995) and many others provided me with an apparatus of thought. This apparatus of thought is used to provide a systemic view on the subject under examination and in doing so provides a perspective on my own apparatus of thought; my way of making sense of the world; my meaning-making system.

### **1.1 Research Focus**

In this Portfolio of Exploration, I examine my meaning-making system in the context of my professional development and, using economic theory, issues affecting the book-publishing industry. In the context of an Irish book-publishing firm, I examine the effect of technological innovations in the form of e-books and the implications for my professional practice. I discuss consequent market innovations and examine how the firm should meet the challenges of these external innovations. Examining my professional practice, I seek to show how my understanding of theory through the integration of theories of adult mental development and business economics, have enabled me to change my professional practice and adapt to the challenges of new roles in differing organisations – from Soldier to CEO.

## **1.2 Intended Audience**

This Portfolio of Exploration would be of interest to those involved with military training as it addresses the transformative nature of military training and, using Kegan's theories of adult mental development, examines how I have used that training throughout my professional life. Having served in the Defence Forces, I later worked in a book-publishing firm and latterly with a multinational online publisher. It would also be of interest to those working in the book publishing industry, particularly in the context of the changes wrought in that industry both in terms of the definition of the book and the nature of the business. To those in the field of Business Economics this work is relevant in that it provides the basis for a revised understanding of the work of Penrose and Kegan.

## **1.3 Format of the Portfolio of Exploration**

The main body of this Portfolio of Exploration consists of three Essays; Reflection on my Professional Development, Reading for Change and Observation on Change. In compiling this Portfolio it is necessary for me to examine my personal 'theories' in the context of my professional life and to understand how these have developed and how I have used and modified or discarded them as my perspectives have changed. In a resonance with Schön (1986: xi), "I did not anticipate the kind of intellectual journey I was in for." I was constrained by my limited understanding of business economics, the nature of the educational process and my comprehension of the nature of theory.

### **Professional Development Review**

This Essay provides the background to my professional formation. I examine and contextualise my experience of the transformative nature of military training coupled with my development as an Information Technology (IT) professional. The development of my meaning-making system through my training and education is analysed using Kegan's theories of adult mental development.

### **Reading for Change**

The challenge of disruptive innovation in the context of the book-publishing firm is examined in this Essay. As my professional practice was developing, I was moving from management of a resource to a strategic role as a Director, the book publishing industry was being challenged by disruptive innovation in the form of e-reading devices. I examine the effects of this on the firm and on my professional practice from the

perspective of theories of business economics based on the work of Penrose, Drucker, and Christensen.

### **Testing and Observation**

In this Essay, I examine how I sought to change my professional practice in the context of changes in the publishing industry. I see my development in the context of Sedlacek's (2011:9), "colour of economics", in the sense that my meaning-making system consists of theories drawn from many subject areas. I describe my attempts to help the firm to meet the challenges presented (described in Reading for Change) and how this led to, a "developmental moment", (Beach, 2013:48), for me. This 'developmental moment' enabled me to make the transition to CEO of a multinational online publishing firm.

### **1.4 Compilation of the Portfolio of Exploration**

While the compilation of this Portfolio of Exploration has occurred through a doctoral process and experience, it also draws on prior learning in an attempt to analyse and understand the influences on my professional life. The doctoral process has provided the reflective space and the tools and techniques to inspire and enable the compilation of this Portfolio and for me to reach an understanding of my role in my own development. An examination and analysis of self in terms of 'meaning-making' is a voyage into areas that are unique to each individual and are not easy to articulate. The experience of examining and writing about my personal theories is well described by Orwell ([1946], 1984:9) who observes, "It is not easy. It raises problems of construction and of language, and it raises in a new way the problem of truthfulness." The 'problem of truthfulness' arises in the context of examination of the self. As both subject and writer, the problem is manifest in what to include and what to leave out of the written work in terms of context and relevance. It is often the case that these areas are not clearly articulated by the individual because they may not have the means or language to do so and in some instances may be subject to cultural influences. The influence of cultural and other factors is considered by Mezirow (2000:3) who comments on the embedded nature of values and feelings; "The justification for much of what we know and believe, our values and our feelings, depends on the context – biographical, historical cultural, - in which they are embedded." It is these 'embedded values and feelings' that I examine in the context of my training and education and how these have enabled me to progress in my professional life.

Such cultural influences can take the form of constraints and Sowell's (2007:111) term "silent shaper of our thoughts" is an apt description of the formative role of culture in our lives. These cultural influences come to us through society, education system, family, political and belief systems. In the context of growing up in Ireland the formative effect of culture is described in lyrics by Great Big Sea (2000),<sup>1</sup> "I could really use, to lose my Catholic conscience". This is not by way of criticism of Catholicism or Irish culture, rather a perspective on their formative role. The implication being that it is easier for an individual influenced by such a culture, to confess to what is bad rather than acknowledge what is good. This is manifest in both my professional experience and personal life. In the book publishing industry, as part of the publication process authors are required to provide a 'blurb', publicity material containing some personal elements. Many authors describe this as the most difficult part of the writing process and some see this as result of their education and upbringing, where self-deprecation rather than self-promotion, are mentioned as a hallmark of being Irish.

When I commenced the doctoral process, my objective was subject to my limited perspective of what constitutes business economics. This perspective concurs with Sedlacek (2011:9) who posits that "mainstream economists have forsaken too many colours of economics" - he describes, a "self-inflicted blindness, a blindness to the most important driving forces of human actions." He (2011:8) tries "to show that it is crucial for economists and a wider audience as well, to learn from a wide range of sources", he reasons, "that to be a good economist, one has to either be a good mathematician or a good philosopher or both." He further emphasises that economics requires a "philosophical, historical, anthropological, cultural, and psychological" approach, which he describes as "metaeconomics", a term he "borrowed from metaphysics".

Central to this Portfolio is a quest to uncover and understand my meaning-making system to make transparent my developmental journey. I use Kegan's theories, to discover to what am I 'subject to', what for me is 'object'. How do these position me as a researcher and leader? Smith ([1967], 1976:29) describes the importance of self-knowledge in the context of management, "What is it good managers have? It's a kind of locked-in concentration, an intuition, a feel, nothing that can be schooled. The first thing you have

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<sup>1</sup> Song 'Consequence Free' from the Album 'Turn'. The band are from and based in St John's, Newfoundland, Canada.

to know is yourself. A man who knows himself can step outside himself and watch his own reactions like an observer.” Kegan provides the analytical framework in the nature of an apparatus of thought, which enables me to ‘step outside myself’ and examine my meaning-making.

Meaning-making is concerned with the theory of knowledge from the perspective of the individual, and examination of meaning-making from the perspective of the individual is an attempt to understand how the individual makes sense of the world. In this Portfolio of Exploration, I seek to understand how I acquire and use knowledge. Describing the quest for knowledge, Machlup ([1962], 1972:13) writes, “The two essential meanings of the word “knowledge” are usually not kept apart. Most philosophers of science, when they distinguish among different kinds of knowledge, mean different kinds of subjects, different kinds of things known. Yet in epistemology different ways of knowing are examined: in order to study the relation between the knower and the known one has to inquire into the ways of knowing, the ways of getting to know, as well as the classes into which to sort that which has been or is becoming known.”

Taking the perspective that the meaning-making system is a ‘mental model’, Johnson (2008:86) posits, “Mental models are our naturally occurring cognitive representations of reality, or ways in which reality is codified in our understanding of it.” Kegan (1982:11) citing Perry (1970) concludes, “that the activity of being a person is the activity of meaning-making.”

The meaning-making system of each individual is in essence manifest through his or her individuality. Writing in the context of leadership, Johnson (2008:85) provides a good illustration of the role of the meaning-making system; “The difference between effective and ineffective leaders is their mental models or meaning structures, the way they view and deal with their world.” Johnson’s (2008) perspective on the mental models of leaders was presaged by Barnard’s ([1938], 1968:272) description of those in executive positions; “Executive positions (a) imply a complex morality, and (b) require a high capacity of responsibility, (c) under conditions of activity, necessitating (d) commensurate general and specific technical abilities as a *moral* factor; in addition there is required the faculty of *creating* morals for others.” My experience finds resonance in Barnard’s description of the executive position both in terms of the organisational culture



I have experienced and in how I developed the culture for my own team. Latterly I find myself in the fortunate position of creating the culture of the firm.

### **1.5 The Concept of Theory**

Fundamental to my research is an understanding of theory and my use of theory. Theory is generally regarded as being formal in nature. Practice is the application of theory. In the context of everyday life practice is sometimes perceived as being superior to theory, which is often seen as abstract and confined to academia. Wilber (1983:13) describes theory in relation to hypothesis, with hypothesis based on proposition. He describes a process whereby a “proposition is tested in all sorts of new circumstances; if it is *not disproved* in those circumstances, it is to that extent confirmed. A hypothesis not yet disproved (without extenuating circumstances) is generally called a *theory*.” He further states (1983:63), “But if a theory is a mental map, nonetheless the map may be wrong, and what distinguishes a theory or hypothesis from a merely dogmatic formulation is its call to experiential or data-based verification.” This implication that the distinguishing aspect of a theory “is its call to.....verification” has a presage with Drucker (1994:101) when he writes of the need to constantly test theory and states that “the ability to change itself” must be built into the theory. The limited nature of theory and the necessity of theory to change and evolve is highlighted by Capra (1998:35), writing as a physicist, “We have come to realize in modern science that whatever we see in a scientific context – all of our theories, our models, our concepts – is always limited and approximate.” He goes on to state, in relation to theory, that scientists “are concerned with approximate descriptions of reality.” These theories are improved “by constructing successive approximations.” In other words, theories change and evolve in the light of new knowledge.

Describing how he uses theory, Christensen (2010:4) writes in terms of “models”, “lenses” and of “how it (theory) is built”. He (2010:5) describes how he uses his theories in answering questions, “I run the question aloud through one of my models. I’ll describe how the process in the model worked its way through an industry quite different from their own.” In resonance with the objectives of this Portfolio, he describes how students “can use theories from our course to guide their life decisions”. The important point being that theory is rarely, if ever, one-dimensional and while it may have been formulated around a particular set of circumstances the perspective it provides and the questions it prompts can be applied to other areas.

## 1.6 Meaning-making

Kegan (1982:2) describes meaning-making as “that most human of “regions” *between* an event and a reaction to it – the place where the event is privately composed, made sense of, the place where it actually *becomes* an event for that person.”

In the course of their work, Kegan & Lahey (2001) emphasise the role and impact of language in the construction of our world. In my experience across a variety of work environments ranging from the Irish Defence Forces to an Irish book-publishing firm to a US based multinational, I have experienced the power and effect of language in each cultural context. This effect of language is particularly apparent in the military context, in terms of style and precision. In my current role working for a US based firm, the communication is positive and upbeat, even with regard to problems or failure.

## 1.7 Learning

Learning is a strategic aspiration for many firms and is embodied in the learning company paradigm described by Senge (1990). However, it is necessary to address learning at a more fundamental level than the workplace and the challenge facing educators is to teach for understanding. In the Irish context, there are many critics of second level education where students learn to retain and regurgitate knowledge without necessarily understanding or being able to apply that knowledge. This problem is described by Trinity College vice-provost Professor Linda Hogan (2014) as “The single biggest issue we are trying to address...the emphasis on rote learning.”<sup>2</sup>

Learning occurs throughout the lifetime of the individual and is both informal and formal. Informal learning encompasses personal development and life experience. Such learning is unique to each individual and may not be clearly articulated. The tools and outcomes of such learning are experience, observation, experimentation, testing, and reflection. Formal learning is structured in nature and based on specified outcomes. While informal learning is a lifelong process, formal learning occurs over specified periods. The mechanisms of formal learning are timetabled classes or lectures, prescribed and guided reading, self-managed study, and a formal examination process. This doctoral process, whilst ostensibly a formal academic process encompasses both formal and informal learning.

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<sup>2</sup> Irish Times March 4, 2014 ‘Conference hears of ways of improving transition to third level’

Testing is the measure of learning and in the case of informal learning a measure of the usefulness of that learning. It is also important to note that failure is a component of testing. It is vital that the individual (or organisation) does not become 'subject to' failure but seeks to discern the reason for that failure. The objective being to learn from failure.

The concept of life-long learning is of particular interest and relevance to me as both an employer and a participant in a life-long learning process. I have worked in the knowledge economy for a number of years. My previous employer was a book-publisher and my current employer is an online publisher. The core activity of both firms is the monetisation of intellectual property. While not an explicit requirement of me in either role, I strive to create a collaborative learning environment in the firm. One of the key features of this collaborative learning environment is that it overcomes the narrowness of individual based learning, benefiting both the individual and the firm.

Kegan's (1982, 1994) and Kegan & Lahey's (2001, 2009) work is primarily concerned with adult mental development, with much of his early work from the perspective of education and learning. As his work progressed, he examines these from the perspective of leadership, change, and transformational learning. One of the key aspects of his work is that mental development continues throughout the human lifetime. This continuous mental development does not imply an increase in IQ<sup>3</sup> score but rather a development, a growth in our sense of knowing, an increase in the "fund of knowledge", Kegan (2000:42). This increase in the 'fund of knowledge' is an accumulation of learning and experience leading to an enhanced understanding of self, which can be described as wisdom. Piaget ([1950], 2007:8) defines the increase in the 'fund of knowledge' in terms of "mental assimilation" which he describes as "the incorporation of objects into patterns of behaviour, these patterns being none other than the whole gamut of actions capable of active repetition."

In his work on developmental psychology, Kegan's theories have their origin in the work of Piaget (1950). Much of Piaget's work was concerned with the development of a theory

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<sup>3</sup> Intelligence Quotient; an intelligence test score that is obtained by dividing mental age, which reflects the age-graded level of performance as derived from population norms, by chronological age and multiplying by 100: a score of 100 thus indicates a performance at exactly the normal level for that age group.

Source: <http://www.thefreedictionary.com/intelligence+quotient>

of cognitive development, which deals with the nature of knowledge and how humans develop, use and interact with knowledge. Like that of Piaget, Kegan's work is in the area of constructive developmental psychology. Constructivists assert that we construct the circumstances of our lives into meaning and respond to these constructions in terms of our internal perspective. Kegan (1982:12) writing on the relationship between subject and object in terms of "self and other" describes it as "The Piagetian approach". Piaget (1960:4) describes how the individual interacts with their environment; "A response is thus a particular case of interaction between the external world and the subject". From Kegan's perspective, the response is subjective for the individual in terms of their reality rather than an objective response to reality. In essence, this means that two or more individuals when faced with the same situation in identical circumstances can have very different responses and reactions to those circumstances.

The subject/object relationship is a key element of Kegan's theory (1994:32) as he explains, "The root or "deep structure" of any principle of mental organisation is the subject-object relationship." His use of the word 'root' indicates the defining nature of the subject/object relationship for each individual. He describes 'object' in terms of something which is virtually tangible; "Object" refers to those elements of our knowing or organising that we can reflect on, handle, look at, be responsible for, relate to each other, take control of, internalise, assimilate or otherwise act upon." He defines subject in terms of our identity; "Subject" refers to those elements of our knowing or organizing that we are identified with, tied to, fused with, or embedded in." In summary he writes, "We have object; we are subject." He (1982:77) describes the emergence of the subject/object relationship in terms of "a lifelong process of development"; "Subject-object relations emerge out of a lifelong process of development: a succession of qualitative differentiations of the self from the world".

The nature of learning, regardless of the context, is categorised by Mezirow (1978:101) as "informative" and "transformational" according to the outcome for the learner. Kegan (1994:273) describes these categories of learning in terms of "the philosophical mission of adult education". Kegan continues, "The fundamental growth of the mind, transformational learning, qualitative changes in *how* the student knows, not just *what* the student knows." The distinction is that "Informative learning changes what we know" while transformative "changes how we know". Mezirow ([2009], 2010:92) defines transformative learning as "the process by which we transform problematic frames of

reference (mindsets, habits of mind, meaning perspectives) - sets of assumption and expectation – to make them more inclusive, discriminating, open, reflective and emotionally able to change.” Johnson (2008:85) provides a good illustration of the nature of ‘informational learning’, “Informational learning is valuable, but it has limited potential to transform mental models, particularly in adults.” Johnson (2008:86) contrasts ‘informational’ and ‘transformative’ learning, “Informational learning adds depth and complexity to one’s current mental models and in so doing increases a learner’s effectiveness. In contrast, transformative learning increases a leader’s effectiveness by developing new mental models that are more capable of handling new and complex phenomena.”

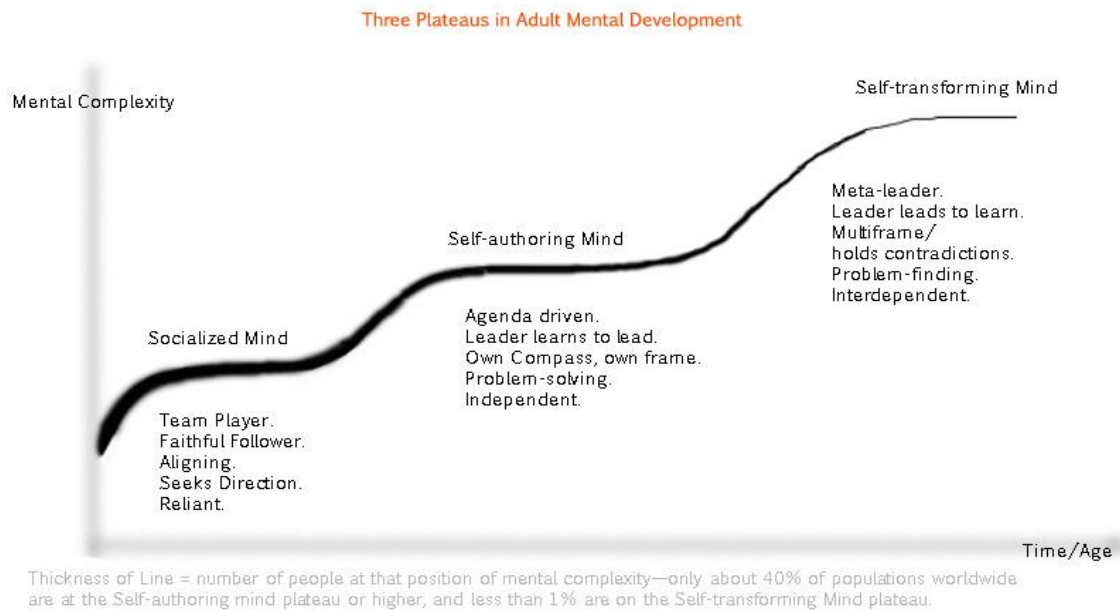
### **1.8 Orders of Consciousness**

Kegan (1994) describes ‘orders of consciousness’ in terms of the subject/object perspective which occurs across all levels of consciousness but the subject/object relationships become more complex as the individual develops or transforms to the next level. While he presents five levels of mental complexity, it is important to note that these are “plateaus in adult mental complexity”, Keegan (2009:16). Figure 1 refers, with each level (plateau) differentiated by a set of characteristics. Kegan presents a representation rather than an absolute set of criteria and while an individual’s dominant level of mental complexity may be at, say, level 3, a more accurate, in the human context, description would be ‘3ish’. The concept of ‘ish’, which recognises the subtleties of human experience, was introduced by Barbara Rapaport<sup>4</sup> at a seminar at UCC in November 2010.

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<sup>4</sup> Barbara A. Rapaport guides clients through the Immunity-to-Change™ Process in individual, team and workshop settings. She also teaches other consultants and executives how to apply the process as part of a formal certification process in Minds at Work's Coach Certification Programme.

Figure 1 – Three Plateaus in Adult Mental Dev



Source: Kegan and Lahey (2009:52)

### 1.9 Transformational Learning

Transformational Learning is a particularly powerful learning and addresses the very foundation of our meaning-making system. Mezirow et al (2000:7) define it as “the process by which we transform our taken-for-granted frames of reference (meaning perspectives, habits of mind, mind-sets) to make them more inclusive, discriminating, open, emotionally capable of change, and reflective so that they may generate beliefs and opinions that will prove more true or justified to guide action.” It examines learning we have “uncritically assimilated” such as learning we have assimilated in our formative years from cultural or familial sources.

Mezirow (2006:24) describes transformational learning as a concept, “recognition of a critical dimension of learning in adulthood that enables us to recognize and reassess the structure of assumptions and expectations which frame our thinking, feeling and acting. These structures of meaning constitute a ‘meaning perspective’ or a frame of reference.”

Much of the early work on the concept of transformational learning was initiated by Mezirow (1978) and developed by Kegan from the perspective of adult mental development. According to Mezirow ([2009],2010:94) transformations as a result of

transformational learning “may be epochal – sudden major transformations in habit of mind, often associated with significant life crises – or cumulative, a progressive sequence of insights resulting in changes in point of view and leading to a transformation in habit of mind.” This perspective reflects my own experience, in Essays 1 and 3 I reflect on aspects of my professional life, and how as I have changed career, each change provides new insights into my meaning-making system.

In the context of ‘transformational learning’, Mezirow et al (2000:337) write of the need to uncover “big assumptions” which is something, we hold as a truth, rather than an assumption, so that our assumptions hold us rather than we hold the assumptions. Kegan & Lahey (2001:80) describe, the ‘big assumption’ as “not something you look at but something you see through, your lens on the world.” The tenet of the ‘big assumption’ along with the ‘competing commitment’ is central to Kegan & Lahey’s (2001) work. Discovering and identifying our ‘big assumptions’ is an important step in the process of ‘transformative learning’. Drucker’s (1993:5) term “intellectual arrogance” is one example of a ‘big assumption’ and his term “disabling ignorance” describes the effect of being ‘subject to a big assumption’. In many ways, the ‘big assumption’ is a constraint, identified by Goldratt (1984) as an element of his Theory of Constraints. While Goldratt is writing from an industrial perspective and considers constraints as both tangible and intangible, tangible constraints include plant and machinery while an intangible constraint is the mental-model of management. It is interesting to note that Goldratt is founder of TOC<sup>5</sup> for Education, which is an organisation, dedicated to implementing TOC theory as a tool for education. Discussing the implications of education, Gagne (1977:240) posits, “If attitudes are to be established or changed, they must be identified as learning outcomes and as instructional objectives. For such purposes, a useful definition of attitude is a learned internal state that influences choices of personal action toward some category of persons, objects or events.” His (1977:240), description of the influence of ‘a learned internal state’ is an apt description of a ‘big assumption’.

In my experience, this variety of responses and reactions, in terms of the “subject/object” relationship, to a particular situation is addressed by military training. The objective of such training is to ensure that each individual reacts in a way that is dictated by the


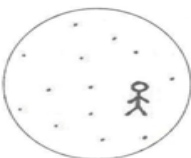
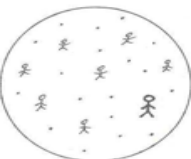
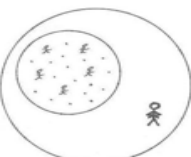
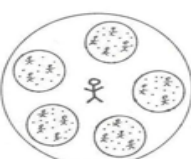
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<sup>5</sup> Theory of Constraints

operational requirements of the situation regardless of their instinct for self-preservation. The objective of this training is to give precedence to the operation and the team, regardless of the cost to the individual. In Kegan's terms, each individual is 'subject to' military training and through training can objectively address a situation in an operational context.

While the work of both Piaget and Kegan can be described from the perspective of constructivism, the focus of their work is on developing a theory of human development. Kegan is concerned with both the construction of the individuals understanding and the development of that construction over time. Kegan (1982) describes development as having six stages or 'Levels', progressing from '0' to '5' in terms of the complexity of development, each of these 'Levels' describes how the individual constructs their reality i.e. their 'meaning-making' system, ref. Figure 2.

Figure 2 – The Five Orders of Consciousness

Developmental Stage/ Order of Mind (typical ages)	What can be seen as <i>object</i> (the content of one's knowing)	What one is <i>subject</i> to (the structure of one's knowing)	Underlying Structure of Meaning-Making
<b>1st Order: Impulsive Mind</b> (~2-6 years-old)	one's reflexes	one's impulses, perceptions	Single Point 
<b>2nd Order: Instrumental Mind</b> (~6 years-old through adolescence)	one's impulses, perceptions	one's needs, interests, desires	Categories 
<b>3rd Order: Socialized Mind</b> (post-adolescence)	one's needs, interests, desires	interpersonal relationships, mutuality	Across Categories 
<b>4th Order: Self-Authoring Mind</b> (variable, if achieved)	interpersonal relationships, mutuality	self-authorship, identity, ideology	Systemic 
<b>5th Order: Self-Transforming Mind</b> (typically > ~40, if achieved)	self-authorship, identity, ideology	the dialectic between ideologies	System of Systems 

Source: Kegan (1994:315)



Kegan presents development as a dynamic process as opposed to a static construct which occurs over a lifetime and he (1982:77), describes it as “evolutionary activity”; “Evolutionary activity involves the very creating of the object (a process of differentiation) as well as our relating to it (a process of integration).” Kegan’s perspective on adult mental development finds resonance with Drucker (1999:2), who writes of the need to “manage ourselves” and the need to “learn to develop ourselves”.

It is Kegan’s view that mental development is a process, which occurs throughout the human lifetime. This process is enabled by transformational learning, which changes the sense of self, motivation and frame of reference in the sense that there is an epistemological change. That is a change in ‘how we know what we know’. In my view, learning coupled with the application of insight engenders transformation. These insights are the result of experience i.e. earlier learning which is both formal and experiential in nature. Insights are generated by the stickiness of learning and the ability to apply selectively learning from other areas to one’s current situation. In this way, insights can become tools of thought. For example, military training provides expertise at teamwork particularly in the formation and development of a tightly knit team. While such a team is an asset in the business world, the military tools for team-formation would be unacceptable outside the military environment and success lies in knowing how to adapt military training to civilian life. In Kegan’s terminology not being ‘subject to’ military training but making it an ‘object’, something which can be used productively.

### **1.10 Leadership – A Penrosean Perspective**

One of the most discussed topics in business, sport, philosophy, psychology, politics and the popular media is leadership. Leadership is sometimes more apparent by being ineffective rather than by being effective. People both demand and aspire to leadership and it is seen by many as a mark of success to be considered a leader.

While Penrose ([1959], 1995) does not explicitly comment on leadership she ([1959], 1995:33) discusses the concept of “Enterprise, or ‘entrepreneurship’ as it is sometimes called”, in terms of its being “so closely associated with the temperament or personal qualities of individuals.” This association “with the temperament or personal qualities of individuals” finds resonance in the nature/nurture debate associated with both entrepreneurship and leadership. Because of the human factors involved, Penrose ([1959], 1995:33) describes, “Enterprise, or ‘entrepreneurship’ as it is sometimes called,”

[as] “a slippery concept, not easy to work into formal economic analysis”. It is this phrase ‘slippery concept’, which describes the nature of leadership traits and qualities. This notion of leadership as a ‘slippery concept’ is borne out in the literature and in popular perception, in the sense that there are many definitions and descriptions of leadership and the development of leaders.

Among the most commonly cited attributes of a leader are vision and communication. Kouzes & Posner (2007:132) write in terms of bringing the “leadership vision to life” and describe how, in terms of leadership, this “communication of a vision” increases “job satisfaction, motivation, commitment, loyalty, team spirit, productivity and profitability.” They (2007:133) describe “visions” as being “about ideals – hopes, dreams and aspirations”. Dixon ([1976], 1994:33), writing in the context of military leadership describes leadership in terms of the individuals “Perception” and “Response” to “External reality, the physical and social environment”. He makes the point ([1976], 1994:34) that, “A senior military or naval commander does not, indeed cannot, act in lonely isolation but is fettered by the organisation to which he belongs.” This perspective presages Leavy & McKiernan (2009:24) who describe leadership in the context of the ‘business world’, “In the business world, leadership roles tend to be shaped by corporate history and the context of time.” Taking Kegan’s ‘subject/object’ theory, the leader in both the military and business contexts is ‘subject to’ his or her organisation. It is interesting to note that Dixon’s ([1976], 1994) work, which looks at the nature of military leadership, does not refer to vision but emphasises communication.

While many leaders possess vision it is the ability to communicate that vision to others that separates the “great and the lesser leaders” (Follett, 1928:139). Follett (1928:140) writes about the teacher-student relationship in terms of leadership, and in something of a presage to Kegan states, “the teacher, as every leader, should know the spirit of the age, should know the deeper trend in our spiritual evolution.” She goes on to point out that “difference between the great and the lesser leaders, between those who influence their kind abidingly and those who merely mould the clay of present circumstance into the shape of a limited, personal will?” While the work of Kegan is from the perspective of adult mental development, it can also be considered in the context of leadership. Many writers and commentators in an effort to identify the elusive element of leadership and develop a holistic theory of leadership view leadership from a spiritual aspect. Kegan describes this spiritual aspect of leadership in terms of Stage 5 development.

Leadership needs this holistic approach rather than the popular approach of the how-to writers on leadership. It is not simply a case of adhering to a checklist of traits and actions, which define or make the leader. I believe that to be a (successful) leader requires a strong element of self-knowledge. This self-knowledge must encompass all aspects of being. Gill (2003:63) describes the leadership literature as having “developed along separate tracks that have never fully or usefully converged.” One of the immediate perception problems is the confusion between religion and spirituality. This presents a challenge in introducing the spiritual element of leadership and is perhaps a reason why many writers avoid consideration of these elements.

Rohr (2009:156) considers leadership from a spiritual perspective and there is some resonance with Kegan as Rohr writes, “we can set aside our own mental constructs”. These ‘mental constructs’ can be considered in terms of our own personal theories and are similar to Kegan’s ‘big assumption’. In order to develop we need to examine our theories (our ‘big assumptions’), our way of viewing the world, and through learning set these aside when they no longer serve. Rohr (2006:156) lists “some insights into what every good, nondual leader knows and practices”. In a resonance with Kegan’s description of a Level 4 Order of Consciousness, Rohr (2009:156) asserts that good leaders must have “a tolerance for ambiguity, an ability to hold creative tensions and an ability to care beyond their own personal advantage.”

### **1.11 Followership**

Important in the context of leadership is the concept of followership, as highlighted by Kelley (1988:2); “Organisations stand or fall partly on the basis of how well their leaders lead, but partly also on the basis of how well their followers follow.” While many of us aspire to be leaders, the reality is that some or all of the time we are followers. Using Kegan’s ‘Orders of Consciousness’ theory provides a good tool to help understand the role and constraints of both the leadership and followership positions. Development of a good working environment is a key responsibility of a leader.

### **1.11 Conclusion**

The themes and context raised in this introduction provide the framework for my Portfolio. In each Essay, I examine different aspects of my professional practice against the backdrop of my training and education and my experience in the workplace. Each of these aspects has contributed to the development of my objects, my theories. Through exploration of my training and, education, crucial for a practitioner doctorate, I show in my Professional Development Review how I formed my theories. In *Reading for Change*, I describe my professional environment and the challenging environment of book publishing, which is facing changes in the definition of the published book with consequent implications for the functions and practices of knowledge workers in publishing firms. The Essay on Testing and Observation provides an analysis of the outcomes to changes I made to my professional practice and identifies new issues that have not so far featured in the theories of Penrose and Kegan.

*'And you may ask yourself-Well...How did I get here?'*  
(Talking Heads, 1980, 'Once in a Lifetime')

## **2. Essay One - Professional Development Review**

### **2.1 Introduction**

This Essay is a description of professional development. Through examination of my professional life, I present an analysis of the evolution of my sense of self. This evolution has been gradual and marked by tipping points in my life. These tipping points are associated with learning, some of it in the context of formal education or training and some to informal learning in various scenarios.

My career path has not been in keeping with my initial vision but that vision was a constrained vision; constrained by youth, inexperience, and cultural influences. It has evolved with time and experience and in many ways, I have adapted to my changing situation through learning. It became clear to me early in my career that professional progress required learning and qualifications.

I am using this work as a tool or framework document to identify and examine my meaning-making system and to provide background to me, as subject of my research. The Essay commences with a description of my career and takes the reader through my career in chronological order. Commencing with Section 2.2, I describe my role at the time of writing. Section 2.3 examines the formative nature of military training. In Sections 2.4 and 2.5, I consider my technical training as a computer programmer and the opportunities presented through that training. I also analyse my meaning-making in relation to the military organisation. Section 2.6 finds me back in uniform and undergoing military leadership training. This leadership training provided the catalyst for my re-engagement with formal education, which I discuss in Section 2.7. My pursuit of education coupled with a review process in the Defence Forces I discuss in Section 2.7. In Section 2.9, I discuss my transition from the military to book publishing. Section 2.10 is an examination of the importance of education to me both personally and professionally. My objectives in the pursuit of education are considered in Section 2.11 from the perspective of promotion. In Section 2.12, I examine the development of my meaning-making system

using theories of adult mental development coupled with my professional experience and my pursuit of education. The Essay concludes with a reflection on my professional development and how this positioned me to address challenges facing the firm.

## **2.2 Career**

At the time of writing, I was Director of ICT<sup>6</sup> with an Irish book-publisher, regarded as Ireland's leading book-publisher and distributor. In many ways, this role is not in keeping with my initial career plan and yet it is as result of my cumulative experience, education and opportunities. For as long as I can remember, I had wanted to be a soldier. Following my leaving cert in 1980, I accepted a place the Geo-Surveying Technician course at College of Technology Bolton St, (part of Dublin Institute of Technology since 1992). Such was my interest in the military life and my lack of maturity that I had not considered any alternative career or course of further education. I managed to a place on the Geo-Surveying course almost by accident. The reason I had applied for Geo-Surveying was that as a profession it had historic connections to the military in areas such as cartography and bridge/road construction. My mindset at this time was firmly set on a military career and all my efforts and energies were directed towards this goal.

I spent three years attending the Geo-Surveying course and due to my lack of interest and commitment, I failed the course. Apparently, three years wasted but as I was to find out later, subjects which were new to me and in which I was interested (Computer Programming and Statistics) would ultimately lead to my current career. At the end of my time as a reluctant student, in 1983, I decided to enlist in the Defence Forces. This was difficult because of the economic situation and enlistment involved joining a waiting list. In the meantime I worked as a motorcycle courier and managed to gain a place on a FÁS<sup>7</sup> course in Transport Management and I qualified with a Certificate of Professional Competency (International Road Haulage) issued by the Dept. of Transport.

The most common means of entry into the Defence Forces is through enlistment – 'joining the ranks'. The process of basic training in 1984 was; recruit training for 20 weeks and pass-out as 2-Star Private<sup>8</sup>; this was followed by a further 6 weeks of training

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<sup>6</sup> ICT – Information and Communication Technology

<sup>7</sup> The Irish National Training and Employment Authority

<sup>8</sup> The rank of 2 & 3-Star private are unique to the Irish Defence Forces. 2-Star training covers the basic qualification of a soldier. 3-Star training extends to areas such as internal security. This covers topics such

of corps-specific training to pass out as 3-Star Private. Enlistment prior to 1993 was for a period of three years, which could be extended in blocks of three years – with the maximum duration of service being determined by age and rank.

### **2.3 Defence Forces 1984**

On 16 August 1984, I was attested into the Permanent Defence Forces and became a member of the 33 Recruit Platoon of the CTD (E)<sup>9</sup>. I have vivid memories of that day and it ranks as one of the happiest days of my life. I was finally doing what I wanted to do. Basic training was easier than I had expected, it was difficult but at the time I was prepared mentally and physically, the main impact was a loss of personal freedom due to the disciplined nature of basic training. Basic military training is primarily concerned with taking a group of individuals and moulding them into a skilled, cohesive team. Training is designed to emphasise the team rather than the individual and essentially trains individuals to become constituents of a team. It is important to note here my use of the word constituent rather than follower or team-member to describe my experience. From an adult mental development perspective military training, while it is transformative in that it changes an individual's perspective and transforms the civilian into a soldier, is also informative in that new skills are learned. According to Kegan (2000:43), "Informative learning changes what we know" while transformative "changes how we know", therefore from Kegan's perspective military training is both informative and transformative. Such training while informative in the training of skills is transformative in its impact on the meaning-making system of individuals. For example, in a demanding situation, the thought is for the success of the group rather than self. Collins (1978:1) describes the philosophy of military training; "training is all-encompassing and should be related to everything a unit does or can have happen to it." It is important to note Collins reference to unit<sup>10</sup> rather than individual(s) or soldiers(s). Within this context, initiative is encouraged and expected but only within the strict

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as advanced patrolling, cordon & search. An international equivalent of 3-Star Private is the US Army rank of Private First Class (PFC). See Appendix 1 for Army ranks.

<sup>9</sup> Command Training Depot (East), in 1984 the Defence Forces consisted of 6 Commands, each commanded by a Brigadier General. They were Southern, Western, Curragh, Eastern, Air Corps and Naval Service. Each Command had a Training Depot.

<sup>10</sup> Unit in this context refers to a military formation. In the Irish Defence Forces the smallest effective fighting component is the Infantry Section. This consists of 2 NCOs (i/c and 2i/c) and 8 soldiers. The NCO i/c is Corporal and the 2i/c may be a Corporal or senior Private. 3 sections form a Platoon; 3 Platoons a Company and 3 Companies an Infantry Battalion.

parameters of military regulations. Illeris (2006:13) description of “cumulative learning” is apt in the context of military training, particularly those elements of training related to field or parade ground drills “The learning result is characterised by a type of automation that means it can only be recalled and applied in situations mentally similar to the learning context.” The primary concern of training (outside of the physical aspect) is to instil military discipline in the recruit. One of the most obvious manifestations of this is foot-drill where an individual soldier or a body of soldiers react instantly to the word of command. This adherence to the word of command constitutes discipline and is the essence of a good soldier. Discipline is a central objective of military training, as Collins (1978:49) describes, “Discipline derives and flows from training”. Much of the tactical training involves role-play. In this role-play context, the candidate is assessed on a number of factors with one of the most important being teamwork. To be successful in this regard requires each member of the team to deploy correctly, failure on the part of any team member can result in a negative result for the candidate under assessment. To achieve this level of teamwork and efficiency the military relies on discipline, culture and comradeship. The challenge in my case (and similarly for many ex-soldiers) is to implement the same level of teamwork in the civilian workplace where the benefits of teamwork are needed but the military-style framework does not exist to mould and enable a similar spirit of teamwork.

On completion of training, I, along with my platoon mates, was assigned to the Air Corps. Due to an administrative oversight, I was presented with an opportunity when I was assigned to Defence Forces HQ, for 3 months to work on a project to computerise personnel records. This was not in keeping with my career plan of action and adventure. I found myself in a situation where I was able to utilise some of the learning from my student days (programming) and I unknowingly gained skills, which have helped, in my current career. One of the advantages of working in Defence Forces HQ was that it raised my profile when it came to choosing volunteers to serve with UNIFIL<sup>11</sup> and with little over one-year’ service I found myself serving in an operational situation in South Lebanon.

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<sup>11</sup> United Nations Interim Force in Lebanon



At the time, 1985, UN service in Lebanon was a much sought after posting and offered the only opportunity (in the Irish Defence Forces) to gain experience in an operational environment. There was a stark contrast between operational life and service in a peacetime army back home. During my 6-month tour of duty, I decided that, on completion of my initial 3-year contract, to go back to college. The basis of this thinking was that after training and UN service, the Irish Army did not have much to offer; my problem was that I did not have a clear objective in relation to college.

## **2.4 An Opportunity**

On my return to the Air Corps in early June 1986, I was posted to Engineering Wing, a technical unit responsible for aircraft maintenance, not because of any technical ability on my part but, because Engineering Wing ‘needed bodies’. Happily, my arrival at my new unit coincided with the delivery of a WANG VS5 minicomputer. I asked the right question of the right person and got myself a job. Something along the lines of, ‘What programming language does the system use?’, ‘Don’t know do you want a job?’

I now had a ‘green field’ system all to myself, with a project to implement and great learning potential (due to learning BASIC<sup>12</sup> programming on the Geo-Surveying course, programming was a ‘peripheral’ subject but one that I particularly enjoyed). My time in Defence Force HQ had also taught me about the classification and organisation of data. Through trial and error, I learned about system management and operations, and used my knowledge of the BASIC programming language to teach myself COBOL<sup>13</sup>. One of the interesting aspects of this method of self-teaching was that I learned the practicalities before learning the formal theory. Later on Air Corps sponsored WANG training courses I learned the theory behind the practice. On reflection, the learning opportunity provided to me at this time was, for me, transformative learning in that it changed what I knew and by doing so provided me with a skillset to avail of opportunities later in my career. I was learning through practice and bypassing the associated formal theory. It also fits with Kegan’s criteria of transformative learning in that there was a change in my “fund of knowledge” along with my confidence and perception of myself as a learner. In these

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<sup>12</sup> BASIC – Beginners All purpose Symbolic Instruction Code

<sup>13</sup> COBOL – Common Business Oriented Language

early days, IT<sup>14</sup> became something of a passion whereas now through reflection I perceive it as a vehicle.

The Air Corps objective in obtaining the WANG system was to assist in the management of aircraft maintenance by providing inventory and procurement management and the provision of daily reports on fleet status. The project involved all activities associated with the process of computerisation or as it was termed in the 1980s 'Data Processing'. Because the Air Corps (and the entire Irish Defence Forces) was virtually a green field in computing terms, the computerisation process commenced with basic process analysis, data collection and collation, programming and testing. I was exposed to all elements of the system lifecycle before I even knew such a concept existed. This experience finds resonance in Penrose's ([1959], 1995:53) observations on the acquisition of knowledge, which she describes as occurring in "...two different ways. One kind can be formally taught, can be learned from other people or from the written word, and can, if necessary, be formally expressed and transmitted to others. The other kind is also the result of learning, but learning in the form of personal experience." These two forms of learning she describes as "objective" and "...the form I have called experience".

By the end of 1986, it was clear that my future career lay in IT and I needed qualifications to build on my experience. Part-time study seemed the best option and my choices were; BSc Computer Science at Trinity College Dublin or City & Guilds 417 Applications Programming at Dublin Institute of Technology. The best option was undoubtedly TCD but my "big assumption" dictated otherwise, having previously failed as a student and, without analysing the reason for that failure. I chose the City & Guilds certificate along with a concurrent course of basic certification in the maintenance of aircraft engines rather than the BSc because I was daunted by the prospect of TCD. The reason for the aircraft engine course was so that I could get a better understanding of the user's requirements by understanding their terminology. With part-time study, I now had the best of both worlds. I was managing to study while continuing to earn, in 1987 extended my contract by another three years because it suited my study requirements, my interest in my job, and because I was obliged to do so to repay the cost of the Air Corps sponsored

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<sup>14</sup> IT – Information Technology

WANG training courses through extension of service. The main driver of the need to earn was my enthusiasm for motorcycling, which is an abiding interest.

A frustration of military service in the late 1980's was continuing cutbacks in government spending. This manifested itself in lack of promotion and in a restricted establishment – very limited intake of new recruits and a lack of promotion prospects for those already serving. The operational solution adopted was promotion to unpaid acting rank and in January 1987, I was promoted to Acting Corporal. This promotion while financially worthless, acknowledged my work and role in the development of the Air Corps IT function<sup>15</sup>. Acting ranks in the military context bestow responsibility without authority. An additional frustration was that military vocabulary and law had not reached a point where computers were deemed to exist hence, an establishment for IT personnel could not be created. The impact of this was that on paper I belonged to one unit and actually worked in a non-existent unit. It was not until 1991 that an establishment for IT personnel was created resulting in a structure, which facilitated substantive promotion.

One of the aspects of military life, which is both a bonus and a frustration, is time, the military do not regard time as a component of productivity, and indeed some would say that they are not productive. Because the soldier (at all levels) is a fixed cost and punctuality is a military virtue, punctuality is often manifest as being 2 hours ahead of schedule. Important in an operational situation but frustrating in real-life, for example a guard of honour for a visiting dignitary will take days of rehearsal. Soldiers will be on parade at least 1 hour before the actual event (which will probably last 10 minutes); this gives rise to the need for the soldier to be prepared for long periods of inactivity. Known in the military 'hurry up and wait'. It is important for the soldier to have a book available for such eventualities. Taking a slightly different perspective, McCleery (2007:L1471) states, "Armies realized the need for a literate soldiery, educated in the principles of what they were fighting for and able to take up the role of active citizens upon the cessation of hostilities." I have always had an interest in reading and particularly enjoyed English at school. One of the essential elements of my kit going to Lebanon was a six-month supply of books, which ranged from popular fiction to classical to poetry. As I became more

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<sup>15</sup> Note use of the word function – Air Corps IT was not 'on the establishment' at this time, i.e. it did not exist. Function is not a military formation. In the context of the Air Corps hierarchy units are designated Wing, Flight and Squadron.

immersed in IT my reading interest began to move from technical towards business literature because I was beginning to understand the critical role of IT in an organisation and wanted to learn more. The first business books I recall reading were Peters (1982), “In Search of Excellence”, Goldratt (1984), “The Goal” and Peter & Hull (1969), “The Peter Principle”.

It is also worth noting that there was pervasive dissatisfaction with military life in the late 1980s due to low pay, lack of promotion and poor working conditions. In due course representative bodies were established and I participated in the early formation of such a group in the Air Corps. In 1989, the government established the Commission on Remuneration and Conditions of Service in the Defence Forces, popularly known as the Gleeson Commission in an attempt to rectify the situation. In relation to the representative bodies, which later came to be formally recognised under legislation as PDFORRA (Permanent Defence Forces Other Ranks Representative Association) and RACO (Representative Association of Commissioned Officers), what many have come to realise over time, is that these bodies simply became another layer of bureaucracy and effectively became part of the establishment. The politics of consensus had arrived in the military.

By late 1989 I had obtained my City and Guilds qualification and frustrated with lack of progress in my military career began to consider my options. I enrolled on the Oscail programme at Dublin City University to study for a BSc in IT. On 25 January 1990, I was involved in a traffic accident resulting in serious fractures to my left leg and right arm. My four weeks in hospital and subsequent convalescence, provided time to reflect on my life and career. It was clear that my military medical grade<sup>16</sup> would be reclassified from A1 to C. The implication of this was that I would be barred from operational duty, career courses (necessary for substantive promotion) and UN service. It was also a source of frustration that I had had given a credible commitment to the development of IT in the Air Corps but, due to the prevailing promotion embargo and lack of establishment had, made no substantive progress in my military career. I returned from sick leave to the Air Corps in August 1990, was medically downgraded but permitted to sign another three-year contract taking me to six years of service. While I had anticipated the

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<sup>16</sup> Medical grades are important in that they are career defining. In 1990, A1 was the highest medical grade. Grade C indicated that the individual was in recovery following injury or illness.

downgrading, it was still a disappointment. In career terms, I no longer had a future with the military and resolved to seek civilian employment. I was discharged from the Defence Forces by purchase<sup>17</sup> on 30 September to start work with Eason & Son Ltd as a programmer on 01 October 1991.

## **2.5 Almost a Civilian Career**

While I had decided that a civilian career was preferable to military life what I had failed to factor in was the key nature of my role in the Air Corps. Easons provided better financial reward but the work was routine and tedious with limited learning opportunities in terms of information technology. On the other hand the ‘rewards’ working in information technology with the Air Corps were more internal in nature, I had greater job satisfaction in the technical aspects of my role, learning was facilitated and while Easons is a long established and respected company, the Air Corps (to my mind) is a more prestigious organisation. I also experienced something akin to a sense of loss regarding the military; in the light of Kegan’s theory, this would seem to reflect a ‘3ish’ socialised-mindset in that I missed the sense of belonging and the guidance of the institution. Another source of frustration was that I had deferred my Oscail studies because of the demands of my job with Easons so that my formal learning was restricted by the nature of the role. My contract with Easons terminated in November 1992.

My role with Easons was menial when compared to my role in the Air Corps. I was merely a programmer and system tester. I did not have decision-influencing authority and my contribution was limited by the nature of the role, which was primarily technical. I was not established in the organisation, in that the nature of the role did not facilitate the building of my profile. One of the key aspects of my role with the Air Corps, which I had overlooked and missed when employed by Easons, was that of power. Information Technology was a new departure in the military arena and I was one of the few individuals with strong technical knowledge of both the system and processes. This scarce knowledge conferred on me a profile and power, which surpassed my military rank. As Robbins (2007:99) writes, “A resource needs to be perceived as scarce to create dependency. This can help explain how low-ranking members in an organisation who have important

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<sup>17</sup> Discharge by purchase is a mechanism whereby a soldier is released from the obligations of contract, usually time, by payment of a financial penalty.

knowledge not available to high-ranking members gain power over the high-ranking members.”

Naturally, the military rank system held ultimate power but while rank is important in the military, the lack of it is often counterbalanced by a good appointment. In early January 1993, Fern Technology employed me as Support Manager; Fern provided systems to Credit Unions and were Belfast based. My role along with that of the newly appointed Sales Manager was to establish Fern’s Republic of Ireland office in Dublin. This was a challenging, exciting, and confidence building role in that I was involved in an embryonic company, making presentations to customers, my input was valued, and I was in a position to make a worthwhile contribution.

## **2.6 Back in Uniform**

During my time as a civilian, I had maintained close contact with former colleagues in the Air Corps and was approached by my former Commanding Officer<sup>18</sup> in March 1993 to see if I was interested in re-joining the Corps. Given the success of the WANG based system, I had helped to develop, the Air Corps was provided with funding to upgrade to an IBM system running an aviation management package purchased from a Norwegian company. I was to be Lead Analyst on the new project. In addition, an establishment for IT personnel had been sanctioned and I was guaranteed promotion. My medical grade would be A1 enabling me to start my new career with a clean record. To assimilate back into army life I participated in 3-Star training (8-week course) in the Air Corps Training Depot. This training was important because it refreshed the military mindset (or theories), raised my fitness level and gave me confidence that my injuries would withstand the rigours of more intense military training, required to qualify for promotion.

Later that year I attended courses at IBM, sponsored by the Air Corps, to familiarise myself with the new system and once again found myself relating practice back to theory.

On completion of a Potential NCO (Non-Commissioned Officer) course, I was promoted to Corporal, a junior NCO rank. In civilian terms, NCO ranks supervise (take charge) and

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<sup>18</sup> The **commanding officer (CO)** is the officer in command of a military unit. Typically, the commanding officer has ultimate authority over the unit, and is usually given wide latitude to run the unit as he sees fit, within the bounds of military law. In this respect, commanding officers have significant responsibilities (for example, the use of force, finances, equipment, the Geneva Conventions), duties (to higher authority, mission effectiveness, duty of care to personnel) and powers (for example, discipline and punishment of personnel within certain limits of military law).

Commissioned Ranks manage (take command). In practice the lines are somewhat blurred, sometimes due to the nature of an appointment or more often the force of personality. It was on my PNCO (Potential NCO) course that I had a formal introduction to leadership and management with specific mention of McGregor and Maslow. Subjects taught ranged from small unit tactics, junior leadership, musketry, navigation to method of instruction. The PNCO course is demanding in terms of physical fitness and discipline. One of the primary roles of Corporal is instructor, and I found the Method-of-Instruction module particularly interesting. It is clear to me now that the structure of the military MOI owes much to the work of Gangé ([1965], 1985:246). The methodology exactly mirrors Gangé's "Nine Events of Instruction", All (Irish) military instruction closely adheres to the "nine events", and the prescribed lesson plans, training manuals and training methodology reflect this.

**Table 1. Gangé's Nine Events of Instruction - Internal Processes and Their Corresponding Instructional Events, with Action Examples**

<b>Instructional Event</b>	<b>Internal Mental Process</b>
1. Gain attention	Stimuli activates receptors
2. Inform learners of objectives	Creates level of expectation for learning
3. Stimulate recall of prior learning	Retrieval and activation of short-term memory
4. Present the content	Selective perception of content
5. Provide "learning guidance"	Semantic encoding for storage long-term memory
6. Elicit performance (practice)	Responds to questions to enhance encoding and verification
7. Provide feedback	Reinforcement and assessment of correct performance
8. Assess performance	Retrieval and reinforcement of content as final evaluation
9. Enhance retention and transfer to the job	Retrieval and generalization of learned skill to new situation

Source: Gangé, R.M. ([1965], 1985:246)

At its most basic level military instruction is primarily concerned with instilling immediate and obedient reaction to the word of command. This is usually presented in the form of drills, most of which constitute common sense. For instance ‘Reaction to Effective Enemy Fire’, effective being the key element. However, the stereotypical image of military training is square bashing accompanied by lots of shouting. This methodology of teaching by way of prescribed drills finds resonance in Gagné’s (1985:266) descriptive theory of knowledge which consist of five outcomes; “intellectual skills, cognitive strategies, verbal information, motor skill and attitudes.” In an operational situation, a soldier will be under extreme pressure and will often be reduced to reliance on training to survive. In this, situation drills and attitude constitute second nature or intuition. Klein (1999:31) describes such intuition in the context of decision making by firefighters, “Intuition depends on the use of experience to recognize key patterns that indicate the dynamics of the situation”. However, it is simplistic to regard the entire syllabus of military training as a set of drills. Lave & Wenger (1991:124) have identified “situated learning” in the context of military training. Broadly speaking this is stand-up role-playing, which would certainly describe the tactical elements of the training.

In late September 1995, I commenced my STD NCO (Standard Non-Commissioned Officer) course qualifying for promotion to Sergeant. There was a difference in emphasis on this career course; The Standard course was less physical and more theoretical than the PNCO course reflecting the different requirements of each rank. Much of the learning was case study based, particularly in respect to military law and formation tactics. These were conducted as TEWT (Tactical Exercise Without Troops) this involved the class visiting a location and addressing a military scenario by marking deployments and tactics on a map. As part of the final exam in TEWT, the class spent 72 hours on a tactical exercise, followed by a 15mile speed march to Sally’s Gap in the Wicklow mountains, on arrival at Sally Gap we were presented with the TEWT exam. This method illustrates one of the aims of military training; even though we were tired, hungry, etc. we were still capable of performing our role. Successful completion of the standard course qualified me for promotion to Sergeant and award of the NCEA Cert Military Studies. My appointment as Sergeant was as NCO i/c ACIT<sup>19</sup>, I had a staff of 22 and a lot of freedom

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<sup>19</sup> Non-Commissioned Office in charge Air Corps Information Technology



because very few of those at senior level understood the exact nature and role of military IT. Broadly speaking the civilian equivalent of my role was IT Manager.

One of the challenges in managing technical staff in a military environment is striking the balance between ‘getting the job done’, military requirements and individual’s career aspirations. The view of military authorities is that individuals are first and foremost soldiers; therefore military requirements far outweigh the demands of running a corporate IT system, regardless of the benefit (of the IT system) to the organisation. For individuals to progress in their careers they must strike the right balance between military career requirements such as annual training, annual assessment, operational duty (UN service) and technical qualifications. Given these demands, it was important to provide leadership and good human resource management with an emphasis on team building. The conflict for the individual may present itself as a choice between a military career course necessary for progression through the rank system or a college course which may be of more benefit in the context of their technical role and ultimately as a civilian. This is somewhat similar to the conflict for Kegan’s third order, the dilemma between what the organisation wants of me and what I want for myself.

Critics of military training and the associated mindset could take the simplistic view, (with apologies to WB Yeats), that military training is designed to teach “to ignorant men most violent ways”<sup>20</sup>. In my experience, it has provided me with a “competitive advantage” in the workplace through the confidence building nature of the training and the insights it provided in terms of human and organisational dynamics. For example, I am not daunted by authority or the lack of it and often use this to advantage in the workplace.

## **2.7 Re-Engaging with Formal Education**

In late June 1997, I formally qualified as a Systems Analyst with an NCC<sup>21</sup> Certificate from the Institute of Public Administration. This qualification was instrumental in raising my awareness of and interest in areas outside of the technical IT arena, and was reinforced by my reading of business literature. Because of career changes and participation in

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<sup>20</sup> From the poem “No Second Troy” from Responsibilities and Other Poems. 1916.

<sup>21</sup> National Computing Centre – a UK based organisation. “A membership and research organisation with the aim of promoting the effective use of information technology.”

military training courses, I had reluctantly abandoned the Oscail course in 1993 and now sought to enrol on a degree course that reflected my interests and would provide a foundation for the MBA.

In 1999, I enrolled on BSc (Hons) Business & IT at TCD. I was granted exemption from year 1 based on experience and existing qualifications. Study at TCD was a life-changing event and, for me constituted a transformative education in that this course changed my fund of knowledge, my perception of myself, my learning ability and I came to understand my learning style.

## **2.8 A Period of Transition**

Throughout 1997 and 1998, I also worked on a part-time basis as a Year 2000 (Y2K)<sup>22</sup> consultant for Allegro Distribution. This role was important in relation to my later career decisions. My experience with Eason's had given me a very negative view of working-life as a civilian and could be best described (at this remove) as a "big assumption". In addition, I was beginning to feel restricted in the Air Corps. Due to an ongoing Government review process regarding the Defence Forces, promotions were once again on hold, with the 'Price-Waterhouse report 6 weeks away from implementation'. 6-weeks soon turned into 52+, my next promotion should have been to Flight Sergeant or commissioning as a 1st Lieutenant and should have occurred circa 1998/99.

In early 2000, the Air Corps entered negotiations with Vector Aerospace, Canada regarding the purchase of an upgraded system. I had a key role in these negotiations and was focused on my job; in addition, I was busy with my studies. However, as the national economy began to grow, I found that I could all too easily compare my pay and conditions unfavourably with my civilian counterpart. I flew to St John's Newfoundland on 22 Oct 2000, in the company of 2 aeronautical engineer officers, to meet with Vector, returning to Ireland on 31 October 2000.

Whilst travelling to Canada I saw an advertisement in the Irish Times for IT Manager, with a leading Irish book-publisher. The description of the role appealed to me in terms

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<sup>22</sup> Y2K was a problem for both digital (computer-related) and non-digital documentation and data storage situations, which resulted from the practice of abbreviating a four-digit year to two digits.

of required knowledge and experience, nature of the business, potential for further development and accurately reflected my career aspirations at that time.

On my return to Ireland, I submitted my application for the role, just short of the deadline of 01 November. Within days, I attended for interview and within a week had a job offer, which met all of my requirements, with my key requirement being full support for further academic study. I set about the discharge process and although promotions were on-hold in the Defence Forces due to the ongoing review process, my CO wrote to the Chief of Staff <sup>23</sup> recommending that I be commissioned as a First Lieutenant with a view to retaining me in the Air Corps. This was a nice gesture but I was no longer interested, in the event the Chief of Staff wrote back to say ‘Yes, after the implementation of the Price-Waterhouse Report’ which of course was still 6 weeks away from implementation. I started work at the publishing firm in late 2000.

## **2.9 Working in Book Publishing**

The move from military to civilian life on this occasion was easy, probably, because of my experience with Allegro, my interaction with civilians on my course at TCD, my negotiations with IBM and Vector Aerospace. In addition, I had a new level of confidence based on my qualifications, technical ability and experience along with a good understanding of myself based on the testing nature of military training, career and academic success. The flatter, more open structure of the publishing industry contrasted sharply with the highly structured, regulated world of military aviation, each organisation presents its own frustrations and opportunities.

The firm are arguably Ireland’s oldest and most successful publisher. Like many book publishing firms in Ireland it is family owned. The family have been involved in printing, book selling and publishing in various forms in Ireland for more than a century. The major factors in my move to the firm were; challenge, new environment, the potential for career progression, funding and support for further study, improved pay and conditions and the nature of the business (as an avid reader it was attractive to work for a publisher).

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<sup>23</sup> Chief of Staff (COS) the supreme military authority in the Irish Defence Forces, currently the rank of Lieutenant General. The President holds the role of Commander in Chief.

The firm did not regard Information Technology as a strategic resource in 2000 but were beginning to realise that it had potential beyond servicing back-office functions such as accountancy. This realisation was driven by strategic imperatives: implementation of an Enterprise Resource Planning (ERP) system, development of e-commerce, and growth of the book distribution business. The challenge for me was to bring structure and governance to IT. The biggest challenge in achieving this was tighter budgetary control than I had experienced in the Air Corps and the lack of resources, particularly in terms of staff. In stark contrast to the publishing firm, the military is a vast organisation with comparatively unlimited resources; at the publishing firm, it was necessary to be more resourceful in addressing issues be they technical, human or strategic.

One of my objectives in joining the firm was to ‘raise the game’ with regard to IT, take it from a support to a strategic resource, move it from a component of the Accounts Department to a functioning Department with its own place at the boardroom table. This entailed raising awareness of the strategic importance of IT in the context of publishing and as a key business component. My initial experience at the publishing firm finds resonance in Nolan & McFarlan (2005:1), “Few understand the full degree of their operational dependence on computer systems or the extent to which IT plays a role in shaping their firms strategies.”

The first step in achieving this was to seek attendance at the monthly management meeting. The management committee consisted of the heads of departments, Directors in the nomenclature. I had support of the Financial Director and prior to becoming a full member of the management attended each meeting to deliver an IT report, I took this opportunity to highlight the strategic role of IT in terms of assisting the company and its components to achieve their strategic goals.

## **2.10 Seeking Education**

As part of my initial negotiation with the firm, it was agreed that my BSc would be funded to conclusion and I would later receive full funding and support to complete a part-time MBA. I opted to undertake the MBA at DCU<sup>24</sup> because of my interest in business strategy and because it best suited my work schedule. Access to education was a critical factor in my negotiation. While engaged on a course I see myself as a student with a job rather

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<sup>24</sup> Dublin City University

than a worker engaged on a part-time course. This is of such importance to me that if forced to choose between my career and my course, I would resign to pursue my studies. While in reality such an approach may be purely theoretical, I nevertheless believe that attitude is important in pursuing an objective be it a course of study, a dream, or a project.

By seeking commitment from the firm, I ensured that I could continue to learn and improve my skill set, since re-joining the military in 1995, I have been continually involved in training and education. As I reflect on my career, it has become apparent that while I had not successfully completed my studies to qualify as a Geo-Surveyor, I had nevertheless been exposed to full-time education and this exposure was instrumental to my early involvement in IT. While I had failed to qualify as a Geo-Surveyor, I had made good use of my acquired knowledge of computer programming.

### **2.11 Promotion**

My objectives in pursuing the MBA were to learn, to be promoted to the board and ultimately to develop my own business. However, life did not facilitate the development of my own business. I was promoted to Chief Information Office (CIO); this was a director level appointment. The reason for the title CIO rather than Director was a culturally sensitive decision on the part of the Managing Director. I had been with the company a relatively short time when I gained promotion and the CIO title was designed not to cause undue upset to those who had long service with the company. At the time, the average service to be considered for promotion to Director was circa 18-years. The title of the role was later changed to better fit the culture of the firm, I had identified the lack of mention of Director in the title as a problem. While the organisational structure is nominally flat, nevertheless the culture or norms of behaviour require that heads of department be referred to as Director. It is interesting to note that when my job-title was renamed that there were some in the company who congratulated me on my appointment even though as CIO I had what Johnson & Scholes ([1984], 1999:221) describe as the “indicators of power”. In the case of the firm this was my own budget heading, own office, own department, company car, company credit card and attendance at board meetings. Therefore, I was correct in my assessment that the culture at the firm requires the strict nomenclature of job titles at a senior level. There are two levels of director at the firm – shareholder and non-shareholder directors, with the majority being non-shareholders. Director in the context of the firm means head of department with input to

strategy and planning rather than shareholding. It was a source of frustration to me (and many colleagues) that it is not possible to become a shareholder.

My role was then almost entirely strategic but given the size of the company and the flat structure, it was sometimes necessary for me to be 'hands on'. This was enjoyable as I got to refresh and renew dormant skills. In many ways, I should have been satisfied with the role but as I reflect on my career to date it seems punctuated with a desire to move to the next level. For me the journey is more important than the destination.

One of the stark contrasts between military and civilian personnel is that, in my experience, military personnel tend to be outward looking in their reading and interests. Statistically, in relation to a publishing house there are far fewer degree holders in the military yet there are far more interesting and informed discussions between military personnel regarding world events, history, literature, music, sport, films and current affairs. This may be because soldiers can be deployed abroad on UN missions and political/economic changes can have a direct bearing on the organisation and the individual. In addition, the broad socio-economic mix of military personnel provides exposure to a wider range of people.

## **2.12 Meaning-making System**

In terms of my meaning-making system, the question is what is this? Is it a theory, a set of theories, a set of values or a set of beliefs? This question is philosophic in nature and my interpretation of the answer is that my theories (my apparatus of thought) have changed over time to reflect my learning experiences. Yes, certain theories have remained albeit modified to some extent. Learning can be experienced in many ways but is most often considered in the context of formal learning as result of training or education.

Examination of my meaning-making system is a difficult task; Kegan's (2001:78), four-column conceptual map presents a tool to address this task but only in terms of the current situation (see Table 2). Kegan (2001:76) describes the four-column map as a "conceptual map of your mental machine, your new technology for learning." It is a mechanism, which enables the individual to map their "immunity to change". Kegan (2001:6) describes 'immunity to change' in terms of something that holds us captive. In his later work, 2009, he goes on to further describe (2009:xi), 'immunity to change' in terms of "hidden motivations and beliefs that prevent" people "from making the very changes they know they should make and very much want to make".

In column one, the individual lists a commitment, a goal they wish to attain. Column 2 details the behaviours, which prevent the commitment being fully realised. Column 3 lists the competing commitments, which disrupt or prevent attainment of the goal. Column Four lists the ‘Big Assumptions’, it is this detailing of the ‘big assumption’ which Kegan (2001:74) describes as taking “us into highly consequential, decidedly nontrivial territory.” The big assumption is something he (2001:74) describes as holding “sway over us.” It prevents us from doing something. The identification of the ‘big assumption’ enables the individual to understand, analyse and overcome it.

**Table 2 - Application of Four-Column Map**

1	2	3	4
Commitment	What I’m doing or Not doing that prevents my commitment from being fully realised	Competing Commitment	Big Assumption
<b>I am committed to the value or importance of .....</b>		<b>I may also be committed to....</b>	<b>I assume that if....</b>

Adapted from Kegan & Lahey (2001:78)

When looking back over time it is difficult without a suitable tool or what Klein (1999:13) describes as a “cognitive probe” to conduct the examination. In my review, I look at ‘milestones’ or big events and try to examine changes in my meaning-making as result of these experiences. Some of these changes will be reflected in the decisions taken, outcomes in terms of success or failure and the nature of the learning gained through these events. This process of self-examination has a resonance with Tierney (2011:10) who describes such self-examination in terms of James Joyce’s metaphor of “sideways glimpses”, which she describes as, “glimpsed observations of self in the process of the

enquiry, together with an account of the ways in which I have both influenced and been influenced by this enquiry”.

The intention of military training is to produce soldiers; it does not set out to meet any other objective. It generally has a transformative role in the lives of those who experience it because it typically occurs between the ages of 17 and 25 and because of the intensive, intrusive nature of the training regime. The sense of purpose the individual has in undertaking such training is described by Morrell & Capparell (2001:126) who state that in order to learn two key components are required, “The first is a real sense of expedition – “to discover what you have, who you are, and what your mission is in life”, the second is a sense of service to yourself and the community.” They further describe the learning zone in terms of taking the student out of their comfort zone, “The learning zone is where there is a manageable amount of discomfort, and emotions are heightened”, (pretty much sums up both military training and the doctoral process!) As the individual moves out of the training phase, it is important not to become subject to the training but rather to use it as an “apparatus of thought”, i.e. in Kegan’s terminology as an “object”. The “subject/object” relationship to me is described in the words of TS Elliot (1920), from his poem, *The Lovesong of J. Alfred Prufrock*; “To prepare a face to meet the faces that you meet”. It is about knowing what tools, what apparatus of thought to use to address a given situation. For example in my current role a purely military approach to a problem would not work and would be at best misunderstood by those subject to it leading to a compounding of the original problem.

One of the problems I encountered in the military was the prevailing paradigm that authority equates or leads to efficiency. This has a resonance with Dixon (1976) who uses examples ranging from the Boer war to the modern Israeli Defence Forces to illustrate his point. For myself I had difficulty with the unquestioning obedience to orders, during my service with UNIFIL this was excused on the basis that I was from the Air Corps and my direct superior was from the Artillery, something of a clash of cultures. Having noted that clash of cultures it is important to note that if the situation warranted it, military discipline would have prevailed regardless of my parent unit. Having been subject to authoritarianism it is important not to inflict it on others, i.e. not to continue to be subject to it but to use the learned discipline as an object – useful when under pressure.



In terms of Kegan's work, it is reasonable to assume that those I encountered during my military service and myself were of the Third Order, the "socialized" or "traditional" mind. As with anything outside the digital world it difficult to measure with precision and particularly so at this remove and with lack of expertise.

People at the Third Order internalise the feelings and emotions of others and are guided by those people or institutions that are most important to them. There can be little doubt (based on my experience) that those most successful in forging a military career will be guided by the military ethos, i.e. they become subject to it and it forms their view of the world or as Brookfield (2005:138), describes it their, "dominant discourse"<sup>25</sup>. Some would see this in terms of a 'vocation', similar to a career in religion or medicine – it is necessary to 'live the job' often with little apparent economic reward. The conflict for those at Third Order, which can emerge, is a feeling of being 'torn in two'; in the case of the military, this can manifest as a conflict between the demands of career aspirations and family life. The dark-side of this order in the military context is that through the mechanism of rank/job/role/career/sense of belonging is that the individual can become institutionalised, only able to make difficult decisions with the guidance of the institution or those whom he respects within the institution. Barnard ([1938],1968: 258) provides a good description of Level 3, when he discusses "The Nature of Executive Responsibility" and the personal attributes of those in "executive positions" in an organisation. He highlights the difference between those whose meaning-making derives from the organisation and those who have more outwardly influences. Barnard ([1938], 1968:270), "Those who have a strong attachment to an organisations, however it comes about, are likely to have a code or codes derived from it if their connection has existed long; but whether they appear responsible with respect to such codes depends upon the general capacity for responsibility and upon their place in the spectrum of personal codes."

I discussed this briefly with Kegan in September 2007 and he confirmed that I was correct in my assumption regarding the military and the third order. It also became apparent that

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<sup>25</sup>Brookfield (2005:136), "A dominant discourse comprises a particular language and a distinctive worldview in which some things are regarded as inherently more important than others." In Kegan's terms, it becomes a 'big assumption' and we become 'subject to' it.

one of my reasons for leaving the military was that there were elements of the mindset, which I found to be a constraint to the way I like to work.

Apart from theory providing an apparatus of thought, the perspective specific to a role in the organisation also has an effect. This is readily apparent in the structured military environment and equally so in my current role. Each position in the hierarchy brings new perspectives in terms of the information available and the difficulties encountered.

A good description of a meaning-making system is employed by Pink (2010) in his book “Drive” where he uses the metaphor of an operating system to describe the human meaning-making system. This has a resonance for me in that I can readily understand and relate to the paradigm of the operating system. An operating system is a master set of programs, which facilitates the running of other programs to manipulate data to produce a result. It is for each of us to maintain and upgrade our operating system, to add new programs, to manipulate data and to observe and learn from the resulting output. My operating system has changed through the acquisition of skills and theories, some of which I have retained, others discarded as they were superseded by new learning.

If I consider myself in this context my first adult operating system was a product of the Leaving Certificate exam of 1980, but what have I retained from that period? An appreciation of English literature and an abiding interest in books. It has been interesting in the context of this work to meet with former classmates to compare notes – we all enjoy reading and have a similar approach to writing with very evident poor punctuation skills, something I am conscious of in the publishing world. The common thread is that we had an excellent English teacher who enthused and inspired us with his love of his subject. As life progressed, I acquired the skill of computer programming which facilitated my learning about computer systems. My learning in these areas has been incremental in that through my knowledge of programming I came to understand computer systems and data. These systems and associated data were representations of the business or a business problem. This in turn enabled me to broaden my focus to look at business processes and ultimately at the organisation itself.

As I have progressed in my career, new data and new programs to process that data have been introduced into my system. I became a soldier and acquired many skills, encountered some inspirational figures and sought to learn from their example. More than any other organisation I have encountered the military is essentially about people their

training, development, management and leadership. I believe that my military training and experience has provided me with many theories or insights which I draw on in the course of my working life. I believe that I have been successful or lucky, in some situations, in knowing what is subject and what is object, what software to keep and what is no longer useful as a civilian.

While I like the metaphor of an operating system, I recognise it as an apparatus of thought, which I readily understand but no longer use. In a similar context, the process of thinking or resolving a problem bears a strong resemblance to the structure of a COBOL program in terms of layout – input section, working storage, procedure and output. Why is it that I no longer use computer metaphor or apparatus of thought? My interests and education have taken me in other directions and I now recognise complexity in my thinking and perspective, which has broadened to include other mechanisms of thinking. On a practical level, I have come to regard ICT as a vehicle rather than a passion. A vehicle in the sense that it has provided me with a structured way of thinking, particularly through my training in Systems Analysis and because it has provided me with a perspective on commerce and organisations. It was a passion early in my career because it provided me with a learning opportunity and an element of direction. ICT coupled with my formal business education and experience of dealing with people has shifted my perspective from operational to strategic.

In my working life, my impression is that I have struggled for recognition, but I do not like self-publicity and in many ways, this has made progress difficult. I identify this as an ‘immunity to change’ on my part and through the reflective process of Kegan’s 4-column analysis realise that this is something that I need to address.

Reflecting on my experience of military training and my meaning-making system, I would say that the lasting effects or durable theories are a sense of self-sufficiency or confidence, a sense of discipline when presented with a difficult situation, a strong understanding of teamwork and something of a lack of respect for bureaucracy. My success in my civilian career has lain in understanding which of my theories to discard and in knowing which theories best suit a given situation. Like any organisation the military system both protects and frustrates and while immediate and instinctive obedience to the ‘word of command’ is something that is missing from the commercial workplace having been subject to it, it is my view that it belongs on the parade-ground.

The dominant influences in my adult life, the providers of theory in my life have been my military training, my technical skills and my commitment to ongoing education. Acquiring the skill of computer programming as a Geo-Surveying student which enabled me to position myself for a career in IT, perhaps it was not just the programming skill but the confidence provided by military training which enabled me to initially pursue this role. Military training has had a major influence in my career, I think the success has been in knowing how and when to use the tools provided to good effect. In addition, the key resource in the military is people, and it is in knowing how to work and interact with people which has been one of the key learning outcomes of my military career, one that continues to develop. My ongoing education has been source of ‘competitive advantage’ in the workplace but sometimes a source of frustration as concepts or topics which I take for granted have in fact not been learned by everybody.

In my academic activities, I have sought to build on my existing skills and to meet the challenge of learning from new experiences. One of my consistent traits or motivations has been to use my learning and experience to be innovative and to bring best practice to my role and to the business as a whole. The reflective process of the doctoral process has helped me to realise that one of my objectives in pursuing academic courses is the challenge of learning, the desire to test or benchmark myself against my peers and to use my learning to best advantage in terms of both the organisation and my career. Through the application of Kegan’s theories of adult mental development, I have come to understand the nature of my learning and the impact of that learning on my professional development.

### **2.13 Conclusion**

In this Essay I have provided evidence of specific elements of my training and educational background and sought to discern my theories to identify what for me is subject and object. Through exploration in the forms of reading, talking and reflecting, I have come to realise that my interests and strengths are centred in people and organisational culture particularly in the context of disruptive change. I also came to realise the key role of books in my life as a vehicle for exploration and sought a better understanding of the book publishing industry.

When I set out to undertake the doctoral process, my then employer, a book-publisher, sponsored me, as result my research proposal was centred on the publishing industry and

the issues facing the firm. As I progressed through the initial year of the doctoral process, I began to look at other areas of interest to me. However, as I was presented with new concepts and theories my thinking changed and I sought various vehicles or mechanisms to address my interests. During this time, I was becoming more involved in the challenges facing the firm and sought to apply the theories and concepts to which I was exposed in order to address the issues within the firm.

It is clear that the publishing industry is undergoing a massive change some would say revolution, in how books are published, distributed, and sold. This is akin to the changes in the delivery mechanisms employed by the music industry as it moved from vinyl to tape to CD to MP3 formats. The effect of these changes is bigger than simply a change in format and delivery mechanism, the very *raison d'être* of publishing houses will be challenged. In this context, I believe that culture, management and leadership of publishing companies must change and this change must be all embracing. It will not be sufficient merely to migrate from paper to electronic format but it is necessary to look at the firm and seek to improve in all areas. In the words of Jim Collins (2001) to progress from “Good to Great,” while at the same time meeting the challenge of an industrial revolution.

Like many people working in book publishing, I was attracted to the industry by the nature of the product. While I wanted to further my career, I was discerning in the nature of the role and in the nature of the firm and industry where I sought a new role. As an avid reader, I was keen to work for a book-publisher and such opportunities are rare, particularly so in the context of book publishing in Ireland, for those not directly involved in book publishing.

With regard to my professional practice in book publishing, I recognised two areas requiring change, my professional practice and aspects of the firm. Working in book publishing I sought to change the nature of my practice through changing my role and that of the ICT team from a purely support function to a fully integrated component of the book publishing process. In my experience of book publishing the workforce are broadly divided into support and publishing. The dominant perspective of each group is that the other does not fully comprehend, understand nor appreciate the complexity of work performed by the other. It is rare for an individual make the transition between

publishing and non-publishing roles. It is my opinion that the firm would benefit from such cross fertilisation of ideas, skills and expertise.

My perspective that the firm would benefit from cross-functional working lead me to explore and consider the nature of the book as a precursor to addressing the issues faced by the firm. I needed to understand why the firm operated as it did. The firm was finding itself in a situation where the nature of the output was changing to meet the demand from a key market segment, educational customers.

While the physical book is a commonplace object, I had never previously considered the theory and history of the book and the publishing industry. In order to change my practice from a departmental focus to one encompassing the firm's theory of the business, I sought a deeper understanding of the industry, firm, and product. I believed that by doing so that I could successfully work within the firm to make a positive contribution in meeting the challenges the firm was facing. In the next Essay, I describe my learning regarding the publishing industry and the nature of the challenge facing the firm.

### **3. Essay Two - Reading for Change**

*Overcoming the inertia of success through innovation in an Irish book-publishing firm, the challenge for my professional practice.*

#### **3.1 Introduction**

This Essay addresses the reading for change element of my Portfolio in the context of changes affecting the book-publishing firm. I propose to discuss what I identified as the firm's current theory of the business, (following Drucker 1994) and examine it in the light of changes in format of the book in the context of a book-publishing firm in Ireland.

Working in book publishing for 12 years, I found myself in a firm and an industry that faced a number of challenges. A particular source of frustration during my time with the book-publishing firm was the 'immunity to change', Kegan & Lahey (2001, 2009), apparent in the firm along with the 'assumptions' regarding the nature of the published book. There was an 'assumption', particularly among senior management, that the firm was at the mercy of external factors, which disempowered the firm by failing to consider the effect of factors internal to the firm. This is described by Penrose ([1959], 1995, 42) in terms of ignoring "the factors affecting the relation between the 'image' and 'reality'". She continues, "for an analysis of the growth of firms it is appropriate to start from an analysis of the firm rather than of the environment and then proceed to a discussion of the effect of certain types of environmental conditions."

My reading of Penrose ([1959], 1995) and Tedlow (2010) had brought me to the realisation that while cost was certainly a factor, there were issues related to the firm's theory of the business. Both the industry (in Ireland) and the firm are deeply conservative based on their assumption of what the publishing firm does and the nature of the published book.

Based on the development of my meaning-making system I sought to provide the leadership necessary to address the challenges to the firm: I was emboldened to move from management of a Department to a central leadership role. Based on my area of expertise and professional aspiration, I set out to integrate ICT into the publishing process with the objective of improving both operational and business processes. My objectives

were to increase the ROI<sup>26</sup> of ICT and to remove constraints from the publishing process. These constraints became readily apparent with the advent of e-publishing<sup>27</sup>. In order to examine the firm's 'theory of the business', it is necessary to understand the nature of the publishing industry and the commercial development of the published book.

The professional significance of my taking this step was that I was progressing from the relative safety and security of my own department to address broader issues within the firm. This move from a departmental perspective to a broader view of the firm and its activities marks a significant development phase in my meaning-making system.

Section 3.2 is an examination of book publishing firm in the context of a well-established industry. In Section 3.3, is a discussion on the nature of the book. Section 3.5 is a brief history of book publishing in Ireland. In Section 3.6, the key resources of the book-publishing firm are identified. Section 3.7 examines the role of ICT in book publishing. Section 3.8 examines innovations in the format of the book. Section 3.9 examines the impact of e-publishing on the firm. Section 3.10 discusses the impact of the Internet on the marketplace. Section 3.11 is an analysis of the Irish book-publishing industry. Innovation is discussed in Section 3.12 in the context of the firm.

### **3.2 The Book Publishing Industry**

Book publishing is a long established industry. Printed, bound books are a ubiquitous mechanism or technology for the distribution of information. The printed, bound book has existed in that form for approximately five centuries and the written word for considerably longer as evidenced by the writings which formed the bible. The mass-production and the publishing of books was enabled by the invention of the printing press, which, in popular culture, is regularly cited as an invention that changed the world<sup>28</sup>.

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<sup>26</sup> Return on Investment – in this instance to increase the efficiency of the investment in ICT and in doing so move it from an operational to a strategic resource.

<sup>27</sup> The publishing of books in a format suitable for reading on an electronic device. Specific examples being the Amazon Kindle and Apple iBook.

<sup>28</sup> Frances Bacon<sup>28</sup> writing in 1620; "Printing, gunpowder and the compass: These three have changed the whole face and state of things throughout the world; the first in literature, the second in warfare, the third in navigation; whence have followed innumerable changes, in so much that no empire, no sect, no star seems to have exerted greater power and influence in human affairs than these mechanical discoveries."

<sup>28</sup> Publishing Ireland was founded as CLÉ – Irish Book-publishers' Association in 1970 as a response to the need felt by publishers to share expertise and resources in order to benefit from opportunities and solve problems which were of common concern to all.



When considering the publishing industry it is important to contextualise it in terms of book publishing, printing, book distribution, and book selling because each of these elements constitutes the value chain of a published work, i.e. a book. The strategic implementation of information technologies has facilitated book-publishers to participate in all areas of the industry.

### **3.3 The Book**

The simple description of the printed book is a collection of printed sheets of paper bound along one edge (the spine) and contained within a cover of heavy quality paper or cardboard; a text or document only becomes a book when the pages are bound together. The book in this physical form is a simple, cheap, effective and well-established mechanism for the storage, retrieval and transmission of information.

The key features of the book as a technology are that it is portable, easily produced, affordable, accessible, and ubiquitous. Because it is invisible to the mind of the reader, the book does not intrude on the reading experience. From an economic perspective, the book is an information good of varying value to consumers depending on their requirements. In terms of technology, the book is a communication device, which has had a significant impact on human development over the centuries and as such commands a particular respect.

The ability of the e-book to present a multi-dimensional experience to the reader makes it a particularly valuable tool in education. For example, a history book could include video clips of events such as the D-day landings or links to web sites of supplemental information. This multi-dimensional facility of the e-book finds resonance with Christensen ([1997],2003:xxix) who identifies “Standard Textbooks” as an “Established Technology” and “Custom-assembled, modular digital textbooks” as a “Disruptive Technology” – with the ‘disruptive technology’ being identified as both a threat and an opportunity.

A reader may require a book for information, education or entertainment; the nature of the requirement will drive the production values<sup>29</sup> and purchase price of the book.

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<sup>29</sup> Book production values determine the format of the book, binding, cover design, font, paper quality, inclusion of table of contents, index.

Discussing the cost of producing information, Shapiro & Varian (1999:3) observe, “Information is costly to produce but cheap to reproduce. Books that cost hundreds of thousands to produce can be printed and bound for a dollar or two.” In the case of book publishing, particularly in fiction, a hardback copy is first produced at higher retail cost and followed some time later by a lower cost paperback (mass-market) edition. The early-adopters purchase the high-cost hardback enabling the publisher to offset costs against the hardback edition. This has changed to some extent with the publication of e-books but in many cases depending on genre and subject matter, e-books may be published in parallel with the hardback edition. In addition, the e-book has the potential to extend the life of a book indefinitely (subject to copyright<sup>30</sup>) in terms of availability through the elimination of printing, storage and distribution costs. The e-book, with its reduced production costs and faster publication process facilitates experimentation by publishers, for example, a publisher known as a publisher of historical biography may venture into, in an experimental way, historical fiction or some other genre not related to their core list. On the other hand, e-books could be the core output of the publisher, as is the case<sup>31</sup> with a specialised publisher who initially release their titles as e-books and then subject to demand may release a hardback edition. This is a reversal of the traditional release model, (which in the physical book world is hardback followed by paperback). There is a view in the industry that e-books will become the dominant format with the hardback format published subject to demand. The hardback in this case would be a special edition, would perhaps feature enhanced binding, personalised dedication by the author, etc., and it would be sold at a high price to reflect these features.

It is important not to associate the concept of the book with any particular media or format and to understand what constitutes a book as distinct from any other presentation of text. Gleick (2011:L878) considers the book in terms of “The availability - the solidity – of the printed book inspired a sense that the written word should be a certain way, that one form was right and others wrong.” It is this concept of the ‘written word’ more so than a description of a book as a collation of ideas, a collection of stories, etc. that defines the unique and powerful features of a book along with the unique ability of the book to communicate in solitude through the process of reading.

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<sup>30</sup> See Appendix 3 for notes on Copyright law

<sup>31</sup> Conversation with CEO of e-PubDirect 06 October 2011

As the production, presentation, availability and access to information becomes more pervasive the book publishing industry finds itself in a similar situation to that faced by the recorded music industry at the introduction of electronic formats. The traditional business model of the recorded music industry is very similar to that of traditional book publishing; both produce a tangible good, protected by copyright law for sale to the public. Both industries have faced a shift from this traditional business model of the production and selling of a tangible good (CDs and books) to the production and selling of an intangible good (MP3 files and e-books) often with an associated service element such as cloud storage for purchased items. It can also be argued that the book publishing industry has parallels with newspaper and magazine publishing; however, the revenue model is different in that book publishers rely solely on the purchase price of the book for revenue. The revenue model for newspaper and magazine publishers is a combination of purchase price and advertising revenue.

While this situation can be described as an upheaval or a revolution, for the incumbent firms it is what Grove (1996:3) describes as a “strategic inflection point”. A ‘strategic inflection point’ is the point in time when a firm’s (or an industry’s) assumptions are challenged and forced to change. Firms who do not recognise or fail to meet the challenge will decline.

### **e-Books – A Redefinition of the Book?**

It is clear that the publishing industry is undergoing a substantial change; some would say revolution, in how books are published, distributed, sold and used. McCleery (2007:L1494) observes, “we are living through a third revolution in the shift from print to digital media that combine textual, graphical, and oral materials.” The nature of this change is akin to Christensen’s ([1997], 2003: xxiii) “principles of disruptive innovation”. He describes innovation in terms of (xviii) “sustaining technologies” and “disruptive technologies”. In the context of book publishing, the physical printed book is a ‘sustaining technology’ and the e-book is a ‘disruptive technology’. However, as Christensen & Raynor (2003:32) point out, “Few technologies or business ideas are intrinsically sustaining or disruptive in character. Rather, their disruptive impact must be moulded into strategy as managers shape the idea into a plan and then implement it. Successful new-growth builders know-either intuitively or explicitly-that disruptive strategies greatly increase the odds of competitive success.” It is the moulding of the ‘disruptive impact’ into strategy, which is the challenge for book-publishers.

Writing about the impact of the digital revolution in the market for recorded music Kusek & Leonhard (2005:6) state, “Digital technologies have been totally and unobtrusively integrated into the lifestyle of new generations of teens and young adults”, essentially future generations of book buyers have an affinity with and expectations centred on digital product. In this context, I believe that culture, management, leadership and ‘theory of the business’ of the publishing firm must change and this change must be all embracing. In order to survive the publishing firm must examine their theory of the business. It will not be sufficient to migrate from paper to electronic format. It is necessary to look at the firm and as Drucker (1994:99) prescribes constantly test the theory of the business in terms of “Assumptions about the environment of the organisation: society and its structure, the market, the customer and technology” and seek to improve in all areas. The old certainties around book buying and how books are used no longer apply as new, more agile competitors, who are more akin to software developers than book-publishers arrive into the industry.

The old assumptions are that the book is a physical object, which is submitted by the author to the publisher for publication. The published, physical book would be distributed to retailers and purchased by an individual, and protected by intellectual property law, specifically copyright. The author and publisher are secure in the knowledge that this is a tried and trusted business model. Information and communication technology has stripped away the certainties surrounding the physical book and rather than being concerned with the book is concerned with the content (data), delivery mechanism and retail channel. The advent of B2C (business to consumer) technology in the form of internet based e-commerce (electronic commerce) coupled with the advent of the e-book format has enabled publishers to bypass the physical requirements of printing, storing and distributing the physical book and has enabled authors to bypass publishers. The e-book is essentially a software package consisting of the assets, which comprise the book, and as publishers are finding out, needs to be sold in the same way as software. This lack of physicality of the e-book has given rise to consumer expectation of a reduction in the retail price of the e-book. However, in my experience, the publisher is determined to preserve the existing business model, which relates specifically to the publication and sale of physical books. In the context of curriculum, publishing for the Irish market the cost of schoolbooks has become something of an annual national debate. As schools begin to adopt e-books, the book buyers are demanding a reduction in the retail cost of

the books. The cost structure relating to physical books takes into account production costs (editorial, typesetting, paper, printing, binding, and delivery to the warehouse), distribution costs (warehouse storage, transport) and sales costs (the royalty structure, which is sales based). E-books eliminate the costs related to paper, printing, delivery to the warehouse and the physical cost of transport. The market is aware of the lower production and distribution costs related to e-books and is particularly price-sensitive in relation to the cost of schoolbooks.

One solution has been that the e-books are licensed to the student for the duration of their course of studies, e.g. 3 years in the case of the Junior Certificate curriculum. The publishers claim to provide these books at a reduced retail price. Because e-books are considered by Revenue as software, they attract the standard rate of VAT at 23% thus negating any price reduction provided by the publisher. Therefore, the argument goes, it is Revenue rather than the book-publishers who are denying customers of discount. Physical books are VAT exempt while the e-book attracts VAT. The dilemma facing educational publishers is that a campaign for the removal of VAT from e-books will highlight the lack of VAT on physical books and as result, the government may impose VAT on physical books in an attempt to gain an increase in tax revenue. What the publishers are striving for is to maintain the business model for physical books and apply it to e-books thus negating any need for change on their part to either their cost base or profit model or their theory of the business.

### **3.4 e-Publishing – Opportunity or Threat?**

Electronic publishing represents both an opportunity and a threat; an opportunity to incumbent firms to digitise their backlist and a threat in that these incumbent firms may be reluctant or too slow to recognise the challenge posed by electronic publishing. Eisenberg (1989:11) quoted by Borgman (2000:82) “We are, with electronic publication, approximately where printing was in the year 1469. The foundations have been established; the technology is spreading from central to peripheral areas; only a minority of holdouts remain completely opposed. There is a sense that great changes are coming.” The central challenges posed by electronic publishing are; what is the nature of the book and are we selling books or software? This situation is well described by Howkins (2001, 2002:104), “Electronic publishing has grown rapidly, especially on the back of the Internet. It is unclear to what extent electronic publishing is an extension of print publishing, a part of the computer software business, or an industry in its own right.”

While the advent of e-publishing represents a technological challenge to book-publishers, I believe that it represents a fundamental challenge to the current theory of the business of the book-publisher and fits Grove's (1996), 'strategic inflection point'. Furthermore, many in the industry are concerned by the threat of widespread piracy, which they fear will be enabled by e-publishing. However e-publishing will actually provide a greater level of control and monitoring of copyright as Litman (2001:13) points out "Technology now permits copyright owners of works in digital format to monitor and meter the consumption of their works."

Working in an Irish publishing firm, I saw the challenges presented by e-publishing and can describe the challenge of e-publishing as a symptomatic of the need for a new 'theory of the business' rather than a cause. I believe that the firm is, to paraphrase Collins (2001), a good but should be a great firm. Its dominant position has been eroded by both internal and external factors. Many in the firm are of the opinion that, like many indigenous firms operating in the SME sector the firm is at the mercy of prevailing economic conditions. While this is undoubtedly true, much could be addressed internally by the firm to strengthen its trading position. In other words, I believe that the problem lies in the firm's, 'theory of the business', Drucker (1994). Taking this perspective, the underlying cause of this problem with the 'theory of the business' lies in Penrose's ([1959], 1995:42) paradigm that to analyse the firm from the perspective of a theory of growth "it is appropriate to start from an analysis of the firm rather than of the environment". The paradigm that the firm is at the mercy of external forces also has a resonance in Brookfield's (2005:138) paradigm of "dominant discourse" and Drucker's (1994:96) description of "the current malaise"; "In fact what underlines the current malaise of so many large and successful organisations worldwide is that their theory of the business no longer works."

### **The Impact of e-Publishing**

One of the most endearing and enduring features of the physical book is its materiality. Books are an object for which most people have an affinity and respect; they can appreciate the design and have an overall respect for the written word. One of the often-repeated criticisms of e-books is that 'they can't furnish a room'<sup>32</sup>.

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<sup>32</sup> Attributed to the author Joanne Trollope, Daily Telegraph of 10 March 2012

E-books are emerging as a key format in book publishing but they will not displace all physical publishing. At the industry level, the role of book-publishers will remain in terms of commissioning books, editing, book production and sales. The distribution channel will change radically as the storage mechanism will move from a large warehouse to a place in 'the cloud'.

In the broad sense cloud computing is a decentralised and distributed computing service. Cloud computing has ushered in ubiquitous computing. Weisner (1991:2) was prescient in his view of ubiquitous computing, "Ubiquitous computers will also come in different sizes, each suited to a particular task". Cloud computing has enabled devices such as smartphones, tablet computers, e-book readers, music players. The innovation lies in the service element of cloud computing which provides a consistent, reliable, ease of access to data by smart devices underpinned by the appropriate legislative control which in the case of Ireland is the Data Protection Act 1988, Data Processing (Amendment) Act 2003 and European Community (Privacy and Electronic communication) Regulations 2011.

### **3.5 The Key Resources of a Publishing Firm**

Thompson (2005:30) defines "the key resources of publishing firms" as "economic capital<sup>33</sup>, human capital, symbolic capital and intellectual capital". While these forms of capital are common to all industries, it is 'symbolic capital'; "the accumulated prestige, recognition and respect accorded to certain individuals or institutions" which is particularly important to the publisher. His reference to 'institution' in relation to a publishing firm is significant in that it implies longevity, respect and integrity – all key features of a successful publishing firm. The key element of human and intellectual capital gives a publishing firm its distinctive culture. The workforce are the means of production and publishing remains a very human-intensive activity.

At its core, book publishing is an information business, ideas and data are collated using the publisher's knowledge and skills into a tangible output. While book publishing can be seen in terms of the creative economy, it is also part of the knowledge economy and apart from the raw material of authors ideas and the tangible output of books the activities of the workforce are very much those of a knowledge-based firm. Kelly (1998:2) describes the nature of the knowledge economy, "This new economy has three

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<sup>33</sup> In this context economic capital refers to working capital. Working Capital = Current Assets – Current Liabilities

distinguishing characteristics: It is global. It favours intangible things – ideas, information and relationships. And it is intensely interlinked.”

Describing the role of the publisher, Borgman (2000:91) writes, “Publishers play a variety of roles, including improving content through editorial processes, advertising and distribution. By retaining control over intellectual property rights, they can repackage content in various forms over long periods of time”. While she is essentially correct in the roles of publishers, in practice a publisher can only make improvements to content as specified by contract with the author and only over the duration of that contract. This has proven to be an issue in the re-publishing of content (an original work) as an e-book. In the case of many Irish publishers (and likely international publishers) contracts, prior to 2008, did not specify e-books and all contracts issued (in my experience) now include the phrase ‘formats yet to be devised’. A similar situation arises with regard to artwork and photographs. Photographs are typically, acquired under licence for a particular publication in a particular format and licence must be renegotiated for output in other formats.

### **3.6 Industry Analysis**

In examining the Irish publishing industry, it is necessary to do so in the light of English language publishing. Ireland has a reputation for the quality of its writing and contribution to English literature; for example, Nobel Prize winners for English literature WB Yeats, George Bernard Shaw, Samuel Beckett and Seamus Heaney, these writers have enjoyed commercial success through the publication of their work by UK publishers. For example, Seamus Heaney is published by Faber & Faber (London), This has a resonance with Lambert (2010:47) and describes an element of the cultural role of publishers, “....the discovery of new novelists and poets often rests with smaller publishers who pay small advances and print only a few thousand copies of a book. Yet these small presses do the legwork of scouting talent...” In developing an author, the smaller publisher faces pressure from larger publishers and increasingly from other media such as TV. For example, the successful cookery author Rachel Allen was initially published by Gill & Macmillan (Dublin) and had a successful TV series on RTE in Ireland, before moving to the publisher Collins (London) and Sky TV, which provided her with access to a larger market. It is now increasingly the case in Ireland that as a new author becomes successful they seek a larger market for their work. In terms of the bargaining power of suppliers, to retain a successful author the publisher must be willing



to build the brand along with the author by, building a social media community around the author/book, co-sponsoring TV programs and developing an app to exploit their work on other platforms such as tablet computers.

The indigenous Irish publishing industry is centred on the entrepreneur and such firms are in some instances an expression of the cultural, political or artistic interests of the founder. These firms are typically at the smaller end of the SME sector and are most often operated by the owner manager and/or their family. The larger and more successful Irish publishers have a strong presence in publishing for the Irish education curricula and while this gives them a strong position in Irish publishing, they are nevertheless minor players in the global English language publishing industry. The larger firms tend to be more corporate in nature with relatively sophisticated systems and departmentalised work practices. In many ways, the structural and organisational differences between the non-educational and educational publishers reflect the rates of return in the marketplace.

Writing on the international English language publishing industry, with specific reference to the Irish industry McCleery (2007:L2954) observes, “By contrast, the Irish publishing industry has been largely independent of the major international players. Major overseas publishing groups, primarily those with a strong UK presence, do compete in the Irish market, usually from a base in the UK but often using a dedicated sales team on the ground in Ireland. Imports represent approximately 70 per cent of the market, but there are substantial variations between the types of material. In the educational sector, it is estimated that 90 per cent of the market demand is held by Irish publishers, whereas in the general sector foreign publishers dominate, comprising over 85 per cent of the market. Irish publishers have increased the level of business undertaken on the home market and now hold approximately 14 per cent of the market. Book publishing in the Irish language is a small niche area with approximately a hundred new titles being published each year. The majority of Irish literary titles receive financial assistance from either Bord na Leabhar Gaeilge (Gaelic Books Board) or the Irish Arts Council. The total income of Irish-language publishers is estimated to be less than US\$2 million, with approximately one-third of this income received by way of grants.”

### 3.7 Theory of the Business

Drucker (1994:95) defined the “theory of the business” as “what to do” particularly in the context of a firm, that has “enjoyed long term success”. The ‘theory of the business’ consists of a “set of assumptions that shape any organisations behaviour, dictate its decisions about what to do and what not to do, and define what the organisation considers meaningful results. These assumptions are about markets. They are about identifying customers and competitors, their values and behaviour. They are about technology and its dynamics, about a company’s strengths and weaknesses. These assumptions are about what a company gets paid for. They are what I call a company’s *theory of the business*.” Drucker (1994:96).

In essence, Drucker (1994) highlights the influential role of assumptions on the performance of the firm. Likewise, Kegan & Lahey (2001, 2009) examine the role of assumptions in relation to the individual and their personal development. An assumption is something, which is taken for granted by an individual, group, or organisation. Assumptions form part of the meaning-making system and are comprised of a system of personally authored values and principals. They are something, which are believed to be true to such an extent that they can govern behaviour and decision-making. “Assumptions-taken-as-true have the quality of universal generalisations, which we all know are supposed to be disprovable by even a single counterinsurance.” Kegan & Lahey (2001:83), It is something, which Kegan & Lahey (2001) describe us as being ‘subject to’. In the terminology of Goldratt (1984), an assumption can be ‘a constraint’ in the meaning-making of a firm or an individual.

Drucker (1994) and Kegan & Lahey (2001, 2009) provide a mechanism to examine assumptions and their role in relation to progress. Torbert et al (2004:14) emphasise the need to test assumptions, “Many of the day-to-day frustrations of work life can be avoided by brief assumption-testing action inquiries.” However, they point out that “checking and inquiry are rare in business, professional and familial conversations.”

Combining the approach of Drucker with that of Kegan & Lahey I set about analysing the firm from the perspective of the ‘assumptions’ underlying the ‘theory of the business’.

## **The Firm**

The firm in this case is a leading book publisher in Ireland. It is long established and like other dominant publishing firms in Ireland most of its revenue derives from educational publishing. According to Publishing Ireland, the Irish publishing industry is currently comprised of 93 professional book-publishing companies who account for just over 20% of the book sales in Ireland with the remainder largely accounted for by UK based publishers.

In the context of the Irish publishing industry, Publishing Ireland<sup>34</sup> defines as a publisher those,

1. “actively publishing, a minimum of 2 titles per calendar year
2. trading for more than one year
3. actively offering the minimum 2 titles for sale
4. the minimum two titles must be written by an author other than an employee of the publisher, including the publisher themselves
5. the publisher must have undertaken the financial risk associated with the publication of the two minimum titles”

Those firms involved in curriculum publishing will publish in the region of forty titles per year.

## **Assumptions about the market**

The firm has for many years enjoyed dominance in the Irish market this is due in large part to its activity in publishing for both the trade and education markets.

## **Education Market**

The educational market is seasonal and operates according to the academic year, which generally runs from September to June and accounts for 60% of the firms revenue. The effect of this seasonal market creates periods of operational slack during the calendar year. The publishing cycle for an educational book is driven by the need to ensure that it enters the sales cycle in January of each year. Typically the editorial process for

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educational books runs from February to November each year with the printed books delivered to the warehouse in November/December. The sales process commences with a sales conference in early January. This is followed by first-round visits to schools where the sales team introduce the books to teachers and (often unsolicited) sample copies are sent to teachers free of charge. After the Easter break the sales team once again visit the schools to determine if the teachers will require the book. This information is collated to determine demand for the book and is used to forecast revenue. There is minimal marketing activity in relation to educational customers, the assumption being that the company reputation for quality will be sufficient to generate sales.

Educational books are published to meet the teaching requirements of the syllabi laid down by the Department of Education. Educators (teachers and schools) prescribe books usually on the basis that they meet teaching methodology and meet the requirements of the state examinations (Junior and Leaving Certificate). Because educational books are published to meet the requirements of the Irish educational system there is limited opportunity to differentiate product and such innovations (e.g. associated workbooks, teaching aids such as models) are easily replicated, for example supplementing a textbook with a workbook or associated on-line testing.

The activity of the market in relation to educational publishing, in the Irish context, is similar to the “structuralist view of strategy” described by Kim & Mauborgne (2005:209), they suggest that structure and market boundaries exist in the minds of managers. They go on to say, “System wide changes are induced by factors that are external to the market structure”. In the case of educational publishing for the Irish market the external factor is the Department of Education, which sets the syllabus, the market reacts to this change; the publishers publish new titles, the teachers specify the required titles and the students/parents purchase the required titles.

Education at primary and second levels<sup>35</sup> is the largest segment (accounting for approximately 60%) of the market for locally published books. In this market, books are prescribed by teachers for use by students and purchase by parents. It could be said that just in the case of a doctor prescribing medicine that teachers are price-insensitive and are in fact gatekeepers; they are the decision makers who control the purchasing

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<sup>35</sup> Based on industry knowledge related to my role as ICT Director of a publishing firm.

requirements of students. The sales and marketing of educational titles is aimed primarily at teachers who, in general, consider the merits of the book from the perspective of the syllabus, the abilities of their students, supplementary material and the fit with their teaching style. There is a (cynical) view among some in the industry that teachers like to ‘flop and teach’, that is sit behind a desk and direct the students by using the book and associated supplementary material i.e. a passive style of teaching. There is much debate in the popular media regarding the lifecycle of second-level educational books with many questioning the release cycle associated with educational titles. This release cycle for educational books is in fact an attempt by the publishers to control the market through diminution of the second-hand market for schoolbooks. The publishers defence is that these new editions incorporate a number of editorial improvements.

### **Trade Market**

Like the educational market, the trade market is also seasonal with two major release events throughout the year occurring each Spring for the summer market and Autumn for the Christmas market. This has always been a highly competitive market with local publishers competing with the major UK publishers. The competitive advantage for local publishers is their local knowledge of the market. This is being steadily eroded as the UK publishers open offices in Ireland to compete for local authors and by the internationalisation of culture.

UK based book-publishers have a significant advantage in the Irish book trade due to their economies of scale, a convergence of cultures particularly in the areas of sport and celebrity biography and fiction. The economies of scale for UK publishers are such that the cost of printing extra copies of books for the Irish market are marginal and particularly so when compared to the situation of Irish publishers printing solely for the Irish market.

The bargaining power of customers strengthened by the intense rivalry in the market has a direct effect on the financial success of Irish publishers. English language publishers (mainly UK based) use their strong position in the UK (and world) market to effectively treat the Irish market as part of the UK market. This often leads to a ‘race to the bottom’ in setting the retail price of books as publishers and retailers promote sales on the basis of ‘3 for 2’ or ‘buy 1 get 1 free’ presenting the book buyer with the impression that books are cheap, this is similar to the online view that ‘content should be free’. In addition, the

growth of online retailers and e-reading, particularly Amazon is increasing the downward pressure on book prices.

The firm's objective in trade publishing<sup>36</sup> was to utilise the means of production in slack periods for educational publishing. This has been eroded over the years as educational publishing becomes more competitive with editors now working full-time on education rather than on the seasonal basis of previous decades. For an Irish publisher, trade publishing is not as profitable as curriculum publishing, which explains why the majority of curriculum publishers do not publish trade books. The firm under review continues to do so because it considers itself a 'real publisher' and sees it as a duty to publish books of relevance to the Irish market.

### **Marketing**

The marketing function is weak because it is not considered necessary for education and the assumption is that reputation will generate sales. For trade books the marketing effort is directed at those books that are deemed to have potential to generate a large volume of sales.

The sales force is split between education and trade, there are eight sales representatives working in education and two in trade. There is no movement and minimal collaboration between the groups. The educational sales team enjoy academic holidays and effectively work for only eight months of the year. This is a major cost centre for the firm and these costs have remained constant regardless of the market position of the firm.

### **Customers**

Education at primary and second levels<sup>37</sup> is the largest segment (accounting for approximately 60%) of the market for locally published books. In this market, books are prescribed by teachers for use by students and purchase by parents. Similar to the case of a doctor prescribing medicine that teachers are price-insensitive and are in fact gatekeepers; they are the decision makers who control the purchasing requirements of students. The sales and marketing of educational titles is aimed primarily at teachers who,

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<sup>36</sup> Trade publishing is an industry term that refers to the business of publishing books for a general audience. These are the books typically found in bookstores, as opposed to curriculum based textbooks for education, or professional books, which are developed for professional use, such as by doctors or accountants.

<sup>37</sup> Based on industry knowledge related to my role as ICT Director of a publishing firm.

in general, consider the merits of the book from the perspective of the syllabus, the abilities of their students, supplementary material and the fit with their teaching style. There is a (cynical) view among some in the industry that teachers like to ‘flop and teach’, that is sit behind a desk and direct the students by using the book and associated supplementary material i.e. a passive style of teaching. There is much debate in the popular media regarding the lifecycle of second-level educational books with many questioning the release cycle associated with educational titles. This release cycle for educational books is in fact an attempt by the publishers to control the market through diminution of the second-hand market for schoolbooks. The publishers defence is that these new editions incorporate a number of editorial improvements.

### **Competitors**

Competition is intense in all areas of book publishing. In education there are four main players and a number of new entrants who have been enabled by the disruptive innovation of e-books. The main competitors focus on education and do not engage in any other activity. They are typically owned by non-publishing entities and tend to have a larger sales force and market spend. This ownership model does not appear to be ‘subject to’ any sentimentality in terms of their publishing program and hence do not engage in trade publishing.

### **Technology**

The firm is active in book distribution; this arm of the business was enabled through investment in information technology. An objective, which I succeeded in achieving, was to fully integrate ICT into all activities of the firm and position it as a strategic asset. This was difficult to achieve due to the assumption in the firm that only those involved in the editorial process could truly appreciate the nature of the book and the publishing process.

### **Strengths**

- The firm is a household in Ireland due to its success over decades in education and the success of some high-profile trade books
- Significant investment in ICT has given it a dominant position in book distribution
- A loyal and long-serving workforce generates a culture of continuity

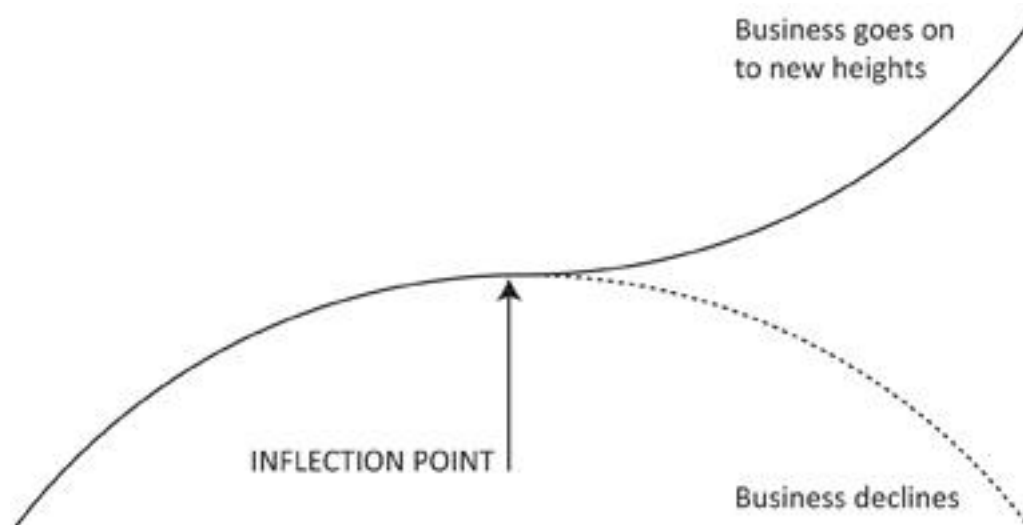
## Weaknesses

- The firm has become complacent in relation to its market position particularly in education
- The assumption is that the firm knows best and any adverse results are due to external factors such as the macro economy
- Processes are slow to modernise
- Failure to fully recognise the impact of e-publishing
- The marketing function is underfunded and its potential not properly understood by the firm
- Senior management has become top-heavy with time spent in meetings rather than taking action
- The hierarchical management structure does not facilitate dialogue
- Longevity of service is confused with potential and effectiveness

### 3.8 Strategic Inflection Point

Grove (1996:32) defines a 'strategic inflection point' as occurring when "the balance of forces shifts from the old structure, from the old ways of doing business and the old ways of competing, to the new." This is presented in Figure 3.

Figure 3 – **Strategic Inflection Point**



Adapted from Tedlow (2010:58)



Christensen ([1997],2003:44) also describes Grove's 'strategic inflection point' in terms of "the point of inflection on the present technology's S-curve". Christensen states that it is "the essence of strategic technology management" to "identify when the point of inflection on the present technology's S-curve has been passed and to identify and develop whatever successor technology will eventually supplant the present approach." Expanding the description of the 'strategic inflection point', Tedlow (2010:58) with reference to Grove writes, "Before the strategic inflection point, a company each year was simply more like it always had been. After the strategic inflection point, the company's situation changes fundamentally. It is a point where the curve has subtly but profoundly changed never to change back."

The occurrence of a strategic inflection point is difficult to pinpoint for those who have an emotional stake in the business, particularly at a decision making level. This has a resonance with Kegan's (1982) paradigm of 'subject to', with these people being subject to the 'sponsoring thought' of their stake in the business. In this instance, the stake in the business is not merely financial but rather a deeply held set of personal beliefs around the business, i.e. their 'theory of the businesses'. In a resonance with Boulding (1956), Penrose ([1959], 1995:215) treats the operating environment "not as an objective 'fact' but rather as an 'image' in the entrepreneur's mind". In other words, those with a personal stake in the business become 'subject to' their 'image', their 'theory of the business.'

It is also the case that while the 'strategic inflection point' is readily apparent to those external to the firm, those directly affected by the change do often not recognise it. The effect of this lack of recognition is described by Christensen and Raynor (2003:35), "Disruption has a paralyzing effect on industry leaders. With resource allocation processes designed and perfected to support sustaining innovations, they are constitutionally unable to respond. They are always motivated to go up-market, and almost never motivated to defend the new or low-end markets that the disruptors find attractive. We call this phenomenon asymmetric motivation. It is the core of the innovator's dilemma, and the beginning of the innovator's solution." In this instance, the company's efforts are directed towards the production and sale of physical books. This is driven by the need to maintain the cost base and associated profit margin.

The 'strategic inflection point' in the case of an Irish book-publishing firm consists of a number of converging challenges affecting both publishing segments of the firm:

education and trade. The education market is affected by concern at national level regarding the cost of schoolbooks, and the advent of e-books in the classroom. Trade publishing is affected by the increased competition from UK publishers establishing Dublin offices competing for the same pool of local authors and customers, the advent of the Amazon Kindle (e-book reader), and the decline in reading as a leisure activity. Both segments are affected by the the internal factor of the dominant corporate culture of the firm coupled with the external factor of the advent of e-books and prevailing macro economic conditions.

### **3.9 The Inertia of Success**

The firm's 'theory of the business' was 'subject to' its perspective that it was the leading book publisher in Ireland and that its position was secure. Compounded by the theory that solely defined the book as a physical object. This gave rise to a culture of complacency, a sense of an 'immunity to change'. There was the pervasive view that problems encountered by the firm were the result of factors external to the firm such as the macro-economy (customers had less disposable income). In the event that the firm needed to change, it was determined that this could be addressed by management of the cost base through pay reductions with the hope that 'we should be able to pay a bonus at Christmas of next year'.

In fact, the firm was operating with what Tidd & Bessant (2009:168) describe as "only very imperfect knowledge of its environment, of its own strengths and weaknesses, and of the likely rates and directions of change in the future." The firm was at a 'strategic inflection point' in terms of its key market (second level education), changes in the maths curriculum (the introduction of Project Maths), the easy availability of electronic reading devices such as Amazon's Kindle and the impending retirement of leading authors and key editorial staff. Tedlow's (2010:41) description (with reference to Schumpeter), is apt in these circumstances, "The rough and tumble world of "creative destruction"<sup>38</sup> that is supposed to characterise capitalism was far removed indeed from the placid atmosphere in" the publishing firm.

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<sup>38</sup> Schumpeter (1942:1950, 84) describes "creative destruction" in terms of business strategy, "Every piece of business strategy acquires its true significance only against the background of that process and within the situation created by it. It must be seen in its role in the perennial gale of creative destruction"

## What Needs To Be Done?

The challenges facing the firm in the context of its curriculum publishing<sup>39</sup> are:

- The need to recognise the seasonal nature of the business and to deploy resources accordingly. The firm employs a team of sales representatives dedicated to the educational market. The team are unused during the academic summer holiday period. I believe that the team should be restructured through outsourcing. The outsourced team would be used as required and on the basis of a targeted sales performance
- Improve the marketing function through the implementation of a CRM system, to do so requires a fundamental shift in the way the firm engages with key customers. This would provide a more targeted use of marketing resources and ensure that only relevant sample books are sent to teachers. The promotional activity needs to be increased to actively build relationships with teachers.
- The need to recognise and embrace innovation as a key element of competitive strategy and the supporting culture. The firm needs to encourage contributions from all departments.
- To analyse the trade publishing activity of the firm with a view to publishing a more commercially viable list or possibly exiting from trade publishing.

In the world of publishing, Irish publishing in the English language must compete with the major world publishing organisations this is particularly the case in Trade<sup>40</sup> publishing which encompasses both fiction and non-fiction, professional publishing (specific to organisations such as the accounting bodies e.g. CPA, CIMA) and tertiary education. In order to compete in these areas Irish publishers typically bring an Irish perspective to their titles so for example to compete with a UK title on Property Law, the Irish publisher will publish Cases in Irish Property Law similarly to compete with international texts on marketing, a typical title would be ‘Marketing – With Irish Case Studies’. In terms of competing internationally the unique perspectives of Irish publishing with broad international appeal is Irish history, in terms of literature and poetry Authors

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<sup>39</sup> Publishing specifically for the Primary and Secondary education market in Ireland.

<sup>40</sup> Trade publishing is an industry term that refers to the business of publishing books for a general audience. These are the books typically found in bookstores, as opposed to curriculum based textbooks for education, or professional books, which are developed for professional use, such as by doctors or accountants.

in these areas are generally signed to international publishing houses e.g. Seamus Heaney with Faber & Faber, the internationally renowned poetry publisher. It is interesting, if not ironic, to note that while much has been said recently by those in the Arts with respect to exploiting the creative economy there has been little cognisance of the potential role of Irish publishers in relation to discovering, publishing and establishing new writers. I believe this is because of the limited local reach of Irish publishing and could be addressed by publishing for the diaspora, particularly in areas not previously exploited such as Canada (specifically Newfoundland) and Argentina. Because specific publishing by an Irish publisher for these regions is new, there is an opportunity for e-publishing. For example, e-books to include where appropriate video or music clips, examples would be a book on Irish music or learning the Irish language.

The inclusion of other media in an e-book has a resonance with Feather ([1988], 2006:154) who sees the challenge for publishers as “to publish books which people wanted to buy at prices they could afford.” I would expand this to include books in a format which is easily accessible and which adds to the reading experience.

### **3.10 The Role of ICT in Book Publishing**

As with many other industries the advent of computerisation has had an effect on the economics of production but in many cases has is not evident in terms of product innovation. In the specific case of the publishing industry, the use of ICT systems has had a significant impact on; (1) the book production process enabling a reduction in time from receipt of manuscript to publication i.e. production of the printed, bound book, (2) sales process in terms of forecasting and has provided an agility in responding to demand changes, (3) has facilitated the establishment of a modern distribution business through the implementation of best practice processes such as Just-In-Time delivery. However, as mentioned previously, it has been the back-office of publishing which has gained most from technology. This has a resonance with Melcher (1967:49), “I do not want to give the impression that we are disillusioned about the ultimate potential of the new technologies – but I do think it would be awfully easy to read the literature and the conference agendas and get the idea that things are further along than they are.”

The key challenge now is for ICT to facilitate and enable the development of new products and services. To meet this challenge it is critical for publishing firms to recognise the need for both investment in technology and skilled staff to maximise return

on the ICT investment. In many ways the advent of the e-publishing has provided a new recognition of the role of the ICT department in the publishing firm and has highlighted gaps in the publishing process in terms of the collation of metadata<sup>41</sup> and the restructuring of content for electronic delivery.

### **Investment in ICT**

Many of the Irish book publishing firms were established in the 1960s and have become household names through their involvement in educational publishing. For many years, such firms have been sustained by curriculum publishing for the Irish education market and relatively little competition in publishing titles of Irish interest to sell into the local, finite, market. In terms of Kegan, these firms are “subject to” past success and as such are configured to publish books in the traditional paper formats. While these firms have embraced and integrated computer systems into their business, much of the investment in computer systems has been driven by expedience rather than strategy, and has been concentrated on back-office systems such as accounts, inventory control and royalty management. Melcher (1967:50) commented the utilitarian use of computer systems by publishers, “Most large publishers now have computers, and many small ones use computers. They use computers for the most part, however in exactly the same way that other industries use them – for billing, accounting, inventory control and sales analysis.” In the context of my experience in the Irish publishing industry, Melcher’s comment holds true today. I see this is a reflection on the pace and nature of innovation in the Irish publishing industry. An industry, which due to the size and nature of the market is conservative and somewhat complacent in the face of change.

One of the most significant investments in computer systems by an Irish publisher was the purchase of an ERP<sup>42</sup> system by a leading Irish publisher in 1997, which has enabled the establishment of a successful book distribution business serving the distribution needs of 42 other publishers. While IT was an enabler in this instance, its use nevertheless has

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<sup>41</sup> Metadata is defined as data about data. Date ([1975],2000:70) describes metadata in terms of “a catalog or dictionary”. He describes the catalog as ‘the place where – among other things – all of the various schemas (external, conceptual, internal and all of the corresponding mappings (external/conceptual, conceptual/internal) are kept.’

<sup>42</sup> Enterprise resource planning (ERP) is business management software, usually a suite of integrated applications encompassing the processing and datamanagement of a number of business functions such as; Inventory management, Royalty Management, Accounting, HR Management, Sales Reporting.

a resonance with Melcher's (1967:50) observation in relation to "inventory control and sales analysis". From a business perspective, investment in IT has been regarded in terms of prudent strategy. Without vision investment in ICT is akin to investing in administration, an abundance of data are produced but without the application of knowledge, it remains as data rather than information. While many firms rushed to embrace ICT few considered the question posed by Porter & Millar (1985:149), "What strategies should a company pursue to exploit the technology?" As Porter & Millar point out ".....managers must first understand that information technology is more than just computers." They (1985:150) describe the "information revolution" as "affecting competition in three ways:

It changes industry structure and, in so doing, alters the rules of competition.

It creates competitive advantage by giving companies new ways to outperform their rivals.

It spawns whole new businesses, often from within a company's existing operations."

While Porter & Millar are writing from a strategic perspective on competition and examining the effect of information on the value chain, their "three ways" provide a perspective on the changes and challenges in the publishing industry presented by e-book publishing.

In the context of ICT as an administrative tool, as it has become more widely available its strategic role has been diminished. In the words of Carr (2003:41), "As information's power and ubiquity have grown, its strategic importance has diminished." Carr's view is that IT like electricity has become a utility, Carr (44), "More and more, companies will fulfil their IT requirements simply by purchasing fee-based "Web services" from third parties – similar to the way they currently buy electric power or telecommunications services."

In my view, the issue is not the ownership or investment that is most important, the real strategic advantage lies in how both the data and technology are used to empower and position business to meet the challenges of new markets, new processes and new opportunities. The advent of electronic-publishing is challenging the existing concept of what constitutes a book, how it is published and how it can be accessed. Writing in the

context of the scholarly publishing, Borgman (2000:91) sees a “diminishing role for publishers” and observes, “The publishing industry is changing rapidly through acquisitions and mergers and through revisions of copyright law<sup>43</sup>. These developments will likely affect the future of scholarly and trade publishing far more than technological advances will.”

### **3.11 Internet – An Innovative Marketplace**

It is interesting to note that the next major change to impact on the book-trade, which occurred approximately 60 years after the innovation of the paperback format, was e-commerce enabled by the internet. Amazon was incorporated in 1994, launched on 16 July 1995 and is credited by many with ushering in the world of B2C<sup>44</sup> e-commerce. Just as Lane in developing the paperback format, according to Spector (2008:L686) Amazon targeted “people who were already using the internet were obviously computer-savvy, affluent, and most importantly, frequent buyers of books.” In addition, the reason Amazon chose to sell books over the internet was customers were familiar with the merchandise, “everybody understands what a book is...the book you’d buy on the Internet would be the same book you could buy at a bricks-and-mortar store.” The difference was that book-buyers could now shop at their convenience from any internet connected computer. This element of convenience enabled book-buyers to purchase on impulse, for example as result of reading a book review in a magazine. While Amazon was set up as a bookstore its competitive advantage over a physical bookstore was that Amazon offered a greater range of titles than any physical store and it could be argued were more customer focussed (despite the large range of titles) than was possible in a physical bookstore. For example Amazon encourage customers to set up an account which provides convenience to the customers and builds a profile of buying habits enabling Amazon to display titles of specific interest to the customer. In addition, Amazon store customer credit card details to enable “1-click” purchasing<sup>45</sup>. Thus providing a seamless customer experience.

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<sup>44</sup> Business to Consumer, business that sells products or services directly to the end-user or consumer.

<http://www.marketingterms.com/dictionary/b2c/>

<sup>45</sup> <http://www.amazon.com/gp/help/customer/display.html?nodeId=468482>

The book trade is an industry, which encompasses authors, publishers, printers, distributors and booksellers. While each of these elements has contributed many innovations over the centuries by and large the industry is perceived as conservative and slow, if not reluctant to change. In the words of Jeff Bezos (Levis (2010:L660), founder of amazon.com, the book-trade is “not a rational business. The publisher takes all the return risk and the retailer makes the demand predictions.” It is interesting to note that the recent innovations in the industry B2C, e-commerce and the successful implementation of e-books have come from an industry ‘outsider’. Alef (2010:L14) describes Amazon as “the organisation that ushered in the world of e-commerce; the creation of the Kindle – the first successful and utilitarian e-book reading platform that ushered in a new paradigm for books and publishing”. Amazon have been successful in these areas because they were not bound by industry ‘norms’ and they addressed the customer experience in particular through the “1-click” purchasing mechanism which was patented in the US in September 1999, (patent 5960411<sup>46</sup>). In my view, the 1-click purchasing mechanism has contributed to the success of Amazon as a bookseller and specifically to the customer experience when using the Kindle e-reader by enabling a simple and efficient purchasing mechanism. The innovative effect of the Kindle on the publishing industry is commented on by Alef (2011:L249), “The Kindle has unsettled publishers, authors, literary agents, book readers, and to some extent other e-book platform manufacturers who are unsure about their ability to remain competitive in the quest for market share. Publishers recognize the growth of e-books requires a new industry-wide business model but are uncertain what it should be. Debate rages about the appropriate level of e-book pricing, with Amazon pressing to limit prices to \$9.99 per title, while the major publishers argue for higher pricing.”

The advent of internet-based e-commerce in the late 1990s sparked a debate in the book-industry regarding the customer demand for such a service while Amazon innovated and expanded. The concerns in the book-trade related to publishers establishing a direct selling relationship with the book buying public and therefore being seen to erode the customer base of traditional bookshops; the publisher’s customers. Historically some

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<sup>46</sup> <http://www.gnu.org/philosophy/amazonpatent.html>



publishers were also booksellers and in any event interacted with customers on a casual basis, for example a small number of customers would purchase books directly from publishers, typically specialist subjects.

In order to develop a successful B2C e-commerce website it was necessary for publishers, in many cases, to develop a new selling mechanism, essentially a new process with associated workflows. The initial problem faced by many publishers was their lack of a suitable IT system to facilitate such a transition and the ability to service several small orders, for example rather than supply a box of twenty books to one shop, the demand from individual customers was perhaps eight customers ordering two or three books each. While historically publishers have had a benign relationship with individual customers, they did not have an active trading relationship.

### **3.12 Innovation**

Innovation is part of humanity, for as long as man has invented, innovation has taken the invention and produced something better. The link between invention and innovation is described by Fagerberg ([2005], 2011, 4) as “Invention is the first occurrence of an idea for a new product or process, while innovation is the first attempt to carry it out into practice.” It is important to note that invention and innovation are not necessarily linked to tangible products. Porter, (2008:L7817), describes innovation as a driver of productivity and in terms of improvement “Innovation leads to new and better approaches, which diffuse widely and rapidly.” While innovation is often viewed from a technological perspective, it can occur in all aspects of the firm and be manifest in changes in organisation, processes and mindset. The challenge of innovation is to for the firm to innovate as required to make best use of technological innovations. This is highlighted by Crawford & Di Benedetto (2003:18) who distinguish between invention and innovation and observe that innovation is a slower process than innovation, “To managers invention refers to the dimension of uniqueness – the form, formulation, function of something. It is usually patentable. Innovation refers to the overall process whereby an invention is transformed into a commercial product that can be sold profitably. The invention may take but a few moments. We have far more innovations than inventions.”

Innovation like leadership has become one of the popular topics of modern business literature, indeed the two are often interlinked and in reality innovation requires

leadership if it is to succeed. A current example of the interlinking of innovation and leadership is embodied in the late Steve Jobs, CEO of Apple who is written about in terms of both leadership and innovation. Taking a particularly human view of innovation, Kingston (2003:2) describes innovation in terms of “The creative impulse in human progress” and in a resonance with leadership literature writes of innovation in terms of “expressing vision”. He describes the “innovator” as having the connotation of “not so much originating ideas, but of taking up an idea and developing it, realising its potential, or turning it into concrete reality.” While innovation is a requirement for the modern firm, building a culture of innovation is a challenge for the established firm, Leavy (1996:21) writes, “Institutionalizing innovation in the established firm is clearly not easy.”

In terms of technological innovation Christensen (1997:L117) makes the distinction between “*sustaining* technologies and those that are *disruptive*.” He notes, “these concepts are very different from the incremental-versus-radical distinction”. In the case of book publishing the physical book, is a sustaining technology. In my view, content is the “sustaining technology”, the innovation is occurring around the delivery mechanism.

### **What Drives Innovation?**

Taking a macro-economic view some commentators see the current economic situation as a period of restructuring which is driven by a culmination of technological developments. In other words, the current situation is the result of accelerating and cumulative technological innovations. At the firm level, it is often the technological innovations, which highlight, drive and facilitate innovation. I concur with Galbraith (2001:170) when he describes the “innovating force” as “not the individual but the circumstance.”

Writing on the innovative impact of Information and the associated technologies, Gleick (2011:L206) postulates, “Each new information technology, in its own time, set off blooms in storage and transmission. From the printing press came new species of information organizers: dictionaries, cyclopaedias, almanacs-compendiums of words, classifiers of facts, trees of knowledge.”

The challenge of innovation in the publishing firm is compounded by the nature and pace of the innovation. While the firm has been relatively innovative over the years, it had not had to face the challenge of disruptive innovation and in the face of an economic depression.

### **3.13 Conclusion**

Recognising the changes faced by the firm in terms of; the local trading environment, the advent of the e-book, the expectations of customers (particularly in secondary education) and the need for the firm to innovate to meet these challenges I set about looking at where I could contribute to the changes needed by the firm. My work on behalf of the firm provided a mechanism to test my theories and assess my professional development.

This investigation was twofold in that through the work of Drucker and Penrose I sought to address challenges faced by the firm. In particular, I was prompted by my reading of Penrose to analyse the firm rather than the environment. This mechanism also enabled me to explore and question my own theories through examination of my professional practice using the theories of Kegan & Lahey. It is important for me to understand my meaning-making system in order to identify and describe how I use my theories. My reading of the work of Kegan & Lahey enabled me to reflect and examine how my meaning-making system has developed and enabled me to move to a new professional practice. To test, observe and learn is a developmental mechanism. In the following Essay, I test and observe my use of theory in my professional practice and discuss the professional implications for me of my new meaning-making system.

## **4. Essay Three - Testing and Observation**

*Development of my meaning-making system through testing and observation of my professional practice.*

### **4.1 Introduction**

This Essay draws on both of the preceeding essays. In Essay One I discuss my professional development, in Essay Two I examine challenges facing the firm. In this Essay, I observe how my professional practice developed to enable me to meet the challenges faced by the firm. I discuss how my professional development progressed throughout my career from the perspective of leadership in the context of change. The challenges faced by the book-publishing firm facilitated my development from head of a department to a broader leadership role. As a director of the firm, I believed that it was my duty to use my expertise for the benefit of the firm as needed rather than be constrained by the departmental structure. I believed this not just of myself but reasoned that it applied to all staff members, in the sense that they should not be ‘subject to’ or constrained within the confines of their role.

While leadership is a key element for success of the firm, so too is management – it is not possible to be a successful leader without an element of management and vice versa. As Mintzberg (2013:7) states, “Instead of distinguishing leaders from managers, we should be seeing managers as leaders, and leadership as management practiced well.”

The challenges faced by the firm enabled me to test my meaning-making system and to observe myself relative to my professional environment. Through this Essay, I show my career progression in the context of the developments in my meaning-making system and use examples to show how testing situations became for me what Beach (2013:48) defines as a “developmental moment”. These ‘developmental moments’ occurred around changes I sought to introduce to the publishing firm driven by the analysis outlined in Essay 2. These changes were successfully implemented in those cases where I stayed within the remit of my role, for example see Section 4.5 The Book Production Archive. However when I tried to affect more global change at the firm level, for example see Section 4.7 a Series of Change Projects, I was less successful in attempting to change the working structure of the firm and discuss Organisational Resistance to change.

My current role as CEO of an online publishing firm is a leadership role and constitutes a new phase in my career. As I reflect now I see each transition reflecting a change in my work practice and in the context of a test of my meaning-making system. Identifying transitions as a key component in the development of leadership Watkins (2003:239) writes, “Transitions are a crucible for leadership development and should be managed accordingly.”

In Section 4.2, is a discussion of the Penrosian perspective of the firm. Section 4.3, is an examination of changes to my professional practice. Section 4.4, changing a work process is a discussion of my perspective on the implementation of change. In Section 4.5, I discuss and analyse a specific change process. This theme is continued in Section 4.6. In Section 4.7, I present and examine my observations on this change process. Section 4.8 a new departure, I consider the reaction of the firm and myself to change in the firm. Section 4.10, I examine my role as a leader in a new context. Section 4.11 examines my theories of team building. My professional development is analysed in section 4.12 in the context of a new recruitment process. The organisational theory of the new firm is discussed in Sections 4.13 and 4.14. In Section 4.15 and 4.16, respectively I discuss the limitations of the theories of Penrose and Kegan.

#### **4.2 A Penrosian perspective on the firm**

The work of Penrose (1959) is of particular relevance to me as it presents a theory of the firm, which encompasses both economics and strategy. Her theory views the firm from the perspective of both tangible and intangible resources as components of growth. This was apposite in relation to my work at the book-publishing firm and informed my thinking regarding the issues facing the firm.

The firm is described by Penrose ([1959], 1995:24) as “a collection of productive resources, the disposal of which between different uses and over time is determined by administrative decision.” Resources are considered in terms of (25) “*the services*” that they can render to the production process and are not “inputs to the production process”. The uniqueness of a firm is determined by knowledge within the firm, particularly knowledge, acquired and managed by the human resource along with (36) “administrative and technical competence.” Other important sources of knowledge include competitor activity and markets. Another key source of knowledge is that embedded in equipment (79), “many developments in technological knowledge become

available to firms not simply as new knowledge but physically embodied in the form of the capital equipment they buy.” This concept of ‘physically embodied knowledge’ is of particularly evident to me in my work in the area of ICT and its impact on the publishing process. Writing in 1959, Penrose could not have anticipated the pace<sup>47</sup> of technological change in the area of information technology and the resultant impact on competitive advantage resulting from the use of technology.

Her perspective on organisational knowledge is also of relevance to me in my own studies and in bringing new knowledge to the workplace. Describing the quest for knowledge, Penrose ([1959]1995:77) states, “if we can assume that businessmen believe that there is more to know about the resources they are working with than they do know at any given time, and that more knowledge would be likely to improve the efficiency and profitability of their firm, then unknown and unused productive services immediately become of considerable importance, not only because the belief that they exists acts as an incentive to acquire new knowledge, but also because they shape the scope and direction of the search for knowledge.”

Penrose was instrumental in formulating the resource-based view of the firm, thereby marking a departure from the neo-classic perspective of the firm. The neo-classic perspective of the firm regarded the firm from the perspective of a ‘black-box’ with inputs and outputs. Penrose shifted focus to the ‘black box’ of the firm and considered the effect of human activity in terms of management, teams, and knowledge on the firm. Her theory considers the firm from the perspective of a combination of internal and external resources, which are unique to each firm. It is this perspective on the internal workings and use of resources within the firm, which gives rise to the resource, based theory of the firm.

In the main, her theory is concerned with the growth of the firm. Her definition of growth also represents a departure from ‘traditional economics’ in the sense that she is not concerned with the size of the firm but with a “notion of an *internal* process of *development* leading to cumulative movements in any one direction”, Penrose ([1959],

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<sup>47</sup> Described by Moore’s Law 1965 which is based on the number of components on a microchip and suggested that computing power would double every 18 months.  
(<http://firstmonday.org/ojs/index.php/fm/article/view/1000/921>)

1995:1). It is this theory of development as an ‘internal process’ which has resonance for me in considering my own development in parallel with that of the firm. Her work considers the growth of the firm to be dependent on managerial activity and in particular the growth of knowledge within the firm.

### **4.3 Changing my Professional Practice**

Given the structured and regulatory nature of the military, leadership in that context equates to authority, which is underpinned by regulation and the rank system. In that context a leader can be created and identified by a badge of rank. Rank, which carries authority backed by military regulation. Commenting on the nature of authority in relation to effective leaders Beach (2012:43) writes, “Authority must come from people’s ideas, not just their position in the structural hierarchy.” In my view, rank insignia should be treated as a signal to others and a challenge to the self. The effective leader develops their own authority and brings something of themselves to the role.

In each of my roles, subsequent to my military career, I have sought to establish myself as a manager and a leader. Each move in my professional life has presented challenges. In each organisation, the challenge is to qualify and then establish myself as a leader. I have achieved this through my use of theory in the sense that I have been able to link theory with practice and the data of my experience. For example, my military training has provided me with a good foundation in teamwork, this coupled with the theories of Kegan (1982, 1994) and Kegan & Lahey (2001, 2009) has enabled me to be more effective in establishing, leading, and working with teams.

Much of my work in book publishing involved the strategic development of the ICT function. As I have shown in the previous Essay, book publishing in Ireland is a conservative industry. In my view, the firm is ‘subject to’ this conservatism, which becomes the meaning-making system of the firm, the firm’s ‘theory of the business’. Publishing as an industry is changing and while the firm in question could feel the effects of the changes, the collective view was formed that any misfortune was due to the prevailing economic conditions. My perspective was that while we were operating in a difficult economic situation that the firm should identify and address internal constraints. This perspective was based on my understanding of the work of Penrose ([1959], 1995), and Drucker (1994). Both Penrose and Drucker address the fundamentals of the business and each emphasises the need to address internal factors and their effect on performance

before addressing external factors. In fact external factors are beyond our control and it is only by critical reappraisal of the firm that external factors can be somewhat mitigated.

#### **4.4 Changing a Work Process**

In my role as ICT Director, much of my work was concerned with the implementation of change. Change in terms of technology, market place, product, people, industry standards and operating environment. The most far-reaching change for the firm and, for all traditional book-publishers, has been the advent of a commercially viable e-book format and particularly so in the Irish secondary education market. For a firm with a traditional departmental structure and operating in a difficult macro-economic environment, the advent of a new technology exposed many underlying assumptions related to the ‘theory of the business.’ I believe that change in any one of the areas outlined inevitably involves a requirement that the firm must adapt to a new way of doing something. My approach to implementing change has been two-pronged; elicit agreement from the key decision maker(s) and then, at an operational level, focus on empowering individuals – this approach, when successful, can change the organisation through empowering people and enabling them to contribute to changing processes.

It is not always possible to achieve this and I recognise that what I perceive as best practice may not be so in reality due to assumptions on my part. I am also cognisant of the fact that introducing or implementing ICT based solutions may not always be necessary. Sometimes a change of processes or methodology or a change in personnel may be sufficient to improve a situation or remove a constraint. An additional constraint in terms of change manifests as the concerns of staff regarding their own situation post-change. In this context, Lawrence & Nohria (2001:131) write of change in terms of “mild threats” and describe the human response in terms of “defences that are studied by psychologists and psychopathologists. These include such mechanisms as resistance to change, caution and anxiety.”

To examine my meaning-making system around the introduction of best practice and resistance to change in the workplace I noted the objectives and outcomes encountered in the digitisation of the publishing firm’s book production archive and noted my observations in terms of Kegan’s (1982,1994) and Kegan & Lahey (2001,2009) theories on change.



## **Background**

To my mind book publishing is very much a knowledge industry with the true value of the publishing house and its product being the content of the book (intangible) rather than the actual book itself (tangible).

As part of normal business practice, every publishing house maintains a production archive, which stores pristine copies of each book it has published, secured in an environmentally controlled location. The firm in question have traditionally been leaders in Irish book publishing and as such were one of the first publishers to acquire a networked computer system. This enabled the firm to send all books to the printers in digital format with the prepress<sup>48</sup> copy of the book being stored on digital media. Over the years, the digital media used has ranged from floppy disk, tape (in various formats), Zip discs, to CD and DVD. The media and format have changed in keeping with developments in IT and to meet with the storage requirements of ever more sophisticated product output. Schoolbooks in particular have become more sophisticated and design-heavy over time in terms of content presentation, pedagogical design, layout and illustrations.

## **Professional Challenges**

When I started work with the publishing firm as IT Manager one of my personal goals was the integration of IT into the publishing process. I was not fully certain how I would achieve this but was determined to do so. I was enabled in this by the commercialisation of e-publishing, particularly in the guise of the Amazon Kindle. The advent of e-publishing to the firm highlighted a knowledge gap among the publishing staff who perceived e-books of inferior quality to physical books in terms of design, typesetting and layout. They could be said to be ‘subject to’ their concept of what constitutes a book. Because the Kindle or any e-reader is an electronic device, they did not perceive it as something of interest to them as publishers. It was deemed ‘just another gadget’. For example, the ability of the e-reader user to change font size caused concern that page

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<sup>48</sup> Prepress is the term used in the printing and publishing industries for the processes and procedures that occur between the creation of a print layout and the final printing. In book publishing the book is delivered to the printer in electronic format generally an Adobe PDF (Portable Document Format) or files generated by software such as Quark Express or InDesign. The delivery format is dependent on publisher output style and the printer’s requirements.

design and flow would be compromised; the effort and control of the publisher in terms of book quality would be diminished.

Because of the pressured nature of book production<sup>49</sup>, as distinct from book publishing, production staff tend to stick to tried and trusted work practices. Such is the process flow of publishing and the associated time constraint that they believe that have little time to innovate and because they are ‘subject to’ their theory of the book, do not perceive a need to innovate. There is also something akin to a siege mentality in their assumption that very few people appreciate their efforts or understand the complexity of their work. A good description of the Production Department is the term “data sink”, which is used in SSADM<sup>50</sup>. A ‘data sink’ represents a process, which has many inputs and a single output. The concept of a ‘data sink’ has a parallel with Goldratt’s (1984) “theory of constraints<sup>51</sup>”.

The Production Department has inputs and demands from Sales and Marketing, Authors, Editors, Designers, Typesetters, Indexers and Proof Readers with the objective of producing output in the form of a print-ready file. This file is then sent to a commercial print works for printing and their task is only completed when the printed, bound books arrive into goods-inwards. The multi-inputs and market deadlines of the book production process reinforce the siege mentality. In the case of the publishing firm, these pressures are more pronounced through the nature of the publishing program. Because the company publishes for the Irish educational curriculum (primary and secondary), third-level and professional publishing along with general publishing – the production department does not have excess capacity, in that there is a small, if any, time-gap between the publishing season for each category.

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<sup>49</sup> In book publishing, the book production department is responsible for the design, layout, printing, and/or e-book coding of the finished book.

<sup>50</sup> *Structured Systems Analysis and Design Method*, a set of standards developed in the early 1980s for systems analysis and application design widely used for government computing projects in the United Kingdom. SSADM uses a combination of text and diagrams throughout the whole life cycle of a system design, from the initial design idea to the actual physical design of the application.

<sup>51</sup> A management paradigm that views any manageable system as being limited in achieving more of its goals by a very small number of constraints. There is always at least one constraint, and TOC uses a focusing process to identify the constraint and restructure the rest of the organisation around it.

#### **4.5 The Book Production Archive – A Specific Problem**

While the book production archive (of physical books), in the form of an environmentally controlled, secure room is an important resource, to my mind the digital pre-press versions of the books constituted the real archive. Yet over time, many of the storage formats used had become obsolete. Material decay had rendered some media virtually unusable and a lack of security around the storage of digital media in the production department could have led to a compromise, such as accidental damage of media. The view of the production staff was that such a compromise did not matter because they retained archived hard copy and if necessary this copy could be photographed as required for reprinting or for the publication of a new edition.

I believed that Production digital media should be protected in the same way as system backups. The digital media held by production was of immense value to the company and was in fact an asset. Because of the mix of formats, obsolete media and poor storage practice, existing digital data was of little operational or strategic benefit to the company. My concern was that the physical production archive did not form part of the business continuity plan and would not be protected in the event of a disaster such as fire or water damage. In the context of a business continuity plan, it is relatively easy to protect the content of digital media.

As part of the publishing process other departments such as Sales and Marketing or the Commissioning Editor would periodically require access to the production archive. This would typically arise where a new edition of a book was under consideration. To gain access to the required title the requestor would submit a request for the relevant title and access would be provided, often grudgingly from the perspective of the requestor. The role of custodian of the archive constituted a discreet element of an individual role in the production department.

If the requestor required access to the data files, constituting the pre-press book data, there were often delays due to the nature of the digital media. For example, tapes can deteriorate to a point where they become unusable for data retrieval. Any such requests necessitated a staff member locating the correct media, hopefully in a viable format, retrieving the data onto a MAC<sup>52</sup> in the production department and emailing the requested

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<sup>52</sup> Apple MAC personal computer, traditionally favoured in the publishing, printing and design industries.

data to the requestor. This process was a cause of frustration to the production department, because they were often too busy to devote time to sourcing the necessary data files and to the requestor because a seemingly simple request became a source of delay in their schedule.

### **A Solution Presents Itself**

In 2009, the arrival of Microsoft into the server virtualisation<sup>53</sup> market had the effect of reducing the cost of virtualisation and presenting the solution through the familiar Microsoft user-interface and software licencing model.

The implementation of server virtualisation provided a solution to the problems encountered in the firm's book production archive. All production data was migrated, from various digital media, to a server based solution so that it became a component on the backup/recovery plan. In addition, it also addressed the problem of metadata; one of the problems associated with publishing mainly for the local Irish market was that extensive metadata, beyond ISBN, Title, Author, Format and Price was not required. The requirement for extensive metadata became apparent through the sale of physical books on Amazon.

To facilitate digital storage and retrieval each archived title would require the recording of metadata, this also had the effect of providing stronger metadata to book sellers. There are 42 elements of metadata to describe a published book. The most commonly used elements of metadata are; Format, Publisher, Language, Subject, Category, Key words, Publication Date, ISBN-10, ISBN-13, Author, Title, Price, Currency, Extent (number of pages), Physical Dimensions. Elements of these metadata have specific uses in publishing. For example, 'Extent' describes the number of pages in a book and is particularly useful in e-book publishing because it provides the reader with an indication of the size of the book. From a business perspective, 'Dimensions' describe the physical size of the books and is useful for warehouse storage, merchandising, packaging and postage.

The implementation of server-virtualisation had the effect of providing the firm with extra computing capacity in terms of both processor power and storage capacity; it also

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<sup>53</sup> Virtualisation, in computing, refers to the act of creating and managing a virtual version of a computing resource.

released the ICT team from some of the more mundane administrative tasks. This reduction in administrative tasks presented an opportunity for the firm in terms of capacity and an opportunity for me to change my practice. An opportunity succinctly described by Penrose ([1959], 1995:67), “so long as any resources are not used fully in current operations, there is an incentive for a firm to find a way if using them more fully.” In terms of technical architecture, the resultant freeing of capacity was what Feld & Stoddard (2004:2) describe as “A Simplified, Unified Corporate Technology platform. Such a platform replaces a wide variety of vertically oriented data silos that serve individual corporate units (HR, accounting, and so on) with a clean horizontally oriented architecture designed to serve the company as a whole.” Another and equally important effect was as noted by Penrose ([1959], 1995:533), “upon completion of a plan managerial resources will be released.” I was the ‘managerial resource’, which was released.

### **Of Benefit to the Firm**

Essentially the digital archive would protect and enhance the value of the company’s most valuable (intangible) asset and would form a component of the business continuity plan.

What I needed to be aware of in seeking to address the issues described is best summed up by Johnson & Scholes ([1984]1999:216) as “the expectations and the purposes within the cultural and political framework of the organisation”. In terms of Kegan & Lahey (2001, 2009), I looked at the ‘big assumptions’ and ‘immunity to change’. The ‘big assumption’ of the Production Department was that their work was so specialised that nobody else could appreciate or understand their processes. My theory was that; (1) the ICT Department could provide a better solution to the digital storage and retrieval of production data. Data is simply data in terms of storage and retrieval; (2) workflows would improve; (3) the company would want to be in a position to produce e-formats of its books; (4) production data would change from being an operational to a strategic resource and (5) the inclusion of production assets would leverage increased ROI <sup>54</sup>from the ICT assets.

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<sup>54</sup> Return on Investment - A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments.

In terms of ‘immunity to change’, I reasoned, based on my experience that the people part of the project would be difficult and this proved to be the case. This project required people to give up control of a resource. It would no longer be necessary to make a request for data and take your place in the queue; a perceived area of expertise might be lost to the Production Department.

In a resonance with my own experience in the early part of my career, this specialised knowledge conferred on a member of the Production Department a profile and power, which surpassed their role. They were being required to cede control of a resource and accept changes to their work practice. Describing the link between rank and power, Robbins (2007:99) states, “A resource needs to be perceived as scarce to create dependency. This can help explain how low-ranking members in an organisation who have important knowledge not available to high-ranking members gain power over the high-ranking members.”

#### **4.6 Observations**

There were several (somewhat repetitive) meetings to initiate the project and to address the issues. It became clear that while operational staff understood the need for and benefits of the proposed change, they could not envision the proposed solution in operation. The tapes and other storage media they used were tangible; they were now required to trust another department (ICT) with the security of a Production Department resource. However, when I examined their concerns what they feared most was a loss of control over the data due to the ease of access provided by the proposed solution.

In this situation (and in many I have encountered) the technical solution was a given, in that it provided a new and better way of doing things. In my experience, technology will generally deliver and problems are usually manifest in people. Resistance to change can take many forms and is easiest to deal with when it is overt. For example, in the case of the archive project the resistance to change manifested as the overt ‘no, that will never work’ to the more subtle ‘typing error’ of the incorrect recording of metadata, such as ISBN or Title.

While this project necessitated a number of meetings there was never any formal acknowledgement within the firm that a key asset had been secured and a process improved. The process had improved to the point where it was relatively easy for the firm to convert and publish books in e-format. From my perspective, this book-data

represented the true value of the firm – the intellectual property and it remains a source of surprise to me that many in the firm regard the value of the firm as the tangible property – the stock of printed books.

This project was in fact a test of my theories in relation to the nature of data held by the firm, my theory of the book as content rather than form and of my theory that the ICT Department should be innovative and proactive in relation to all processes and data assets in the firm. A key result of the success of the project was the ability of the company to publish e-books<sup>55</sup>. For myself, the consequences were a validation of my theories regarding the activities of the ICT Department and the integration of the department into the publishing process. There was never acknowledgement of the success of the project from the firm. However, it is interesting to note the report of UK based consultancy<sup>56</sup> who, in early 2012, were tasked with analysing the workflow in the Production Department, under the heading “Digital Asset Management”, they state, “We believe that the in-house IT staff have demonstrated that they understand the issues involved in asset and title management extremely well.”

#### **4.7 A series of change projects**

In 2011/12, at an operational level the firm needed to redesign and update the company website while at the same time developing a process to publish e-books. I determined that the only way to address these issues was to establish cross-functional project teams. Each of these issues required input from the ICT team and other departments/stakeholders as appropriate. The management committee agreed with me and three teams were established. Each team consisted of a member of the ICT team and the appropriate subject matter experts with other stakeholders involved as appropriate. The establishment of these cross-functional project teams was in fact a test of my theories on the departmentalised firm. I believed that while individuals were ‘subject to’ the constraints of their role within the departmentalised structure that they were not free to contribute to the firm or to pursue their own development.

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<sup>55</sup> I had a meeting with the MD of the firm in March 2015 who complimented me on my efforts to introduce e-publishing to the firm. Kindle sales have averaged €17,000 per month over 2014.

<sup>56</sup> A small UK-based consultancy working in digital publishing, e-books, XML and web technologies.

## Website

The website represented the public face of the firm and was originally intended as a resource for teachers and students. The site had been live since late 2001. While it was regarded as important, historically it was not adequately resourced in terms of design and content. Ownership of the site by the marketing department meant that the resourcing of the site was secondary to the overall considerations of the marketing department. One of the problems faced by marketing was budget allocation. Most of the marketing budget was allocated to book-cover design and other marketing activities. As result, the resources available for maintenance of the website were limited and input from those external to marketing was not welcome. The appointment in 2009 of a Webmaster<sup>57</sup>, part of the ICT team, along with increased budget allocation brought expertise, financial resources and leadership to bear on addressing the issues with the website.

Another significant problem with the site related to business activities. While it was originally set up to meet the needs of the education market, it did not properly inform visitors about other business activities namely trade publishing and distribution. It needed to have both B2C (education and trade books) and B2B (distribution) elements.

The project team consisted of a small core of the webmaster, an editor from both education and trade and a representative from customer service, chaired by myself. Among the problems I encountered was that, with the exception of myself, other team members were relatively junior in the firm even though they were expert in their areas. While relatively junior in terms of service, these were key staff in terms of expertise and potential. They were appreciative of the opportunity presented by participating in the project team but did not have the required freedom from their own Departments to fully engage in a decision making process. The firm was confusing expertise with length of service. To address this I engaged with the other directors (Dept. Heads) and the preferred solution was to have meetings, which included the directors and their key staff – a meeting of 20 people on occasion. I suspect that Directors did not want to be perceived as relinquishing control and regardless of what had been agreed did not fully support cross-functional working. Despite these tensions, the website redesign project was successful and belatedly achieved the original (2000) design objective.

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<sup>57</sup> A person whose occupation is designing, developing, marketing, or maintaining websites.



In terms of an observation on testing my theories on departmentalised working, the reaction of my fellow directors highlighted a widening gap between senior management and myself. I believe this was as result of the emergence of my new meaning-making system; my perspective had shifted from the contentment of managing my own department to one of meeting the challenges of developing the firm.

### **Success or Failure?**

My theory of the role of the role of the ICT Department is that it should encourage and facilitate innovation through understanding the business. To that end, I continued to pursue education and training in the fields of business and information technology. The firm had also invested heavily in my education and I believed that it was incumbent on me to use my skills to provide a return on that investment.

When I commenced with the firm, a core business objective of the firm was to provide good service to distribution clients and customers. My move to this role was as result of a change in my meaning-making system, which enabled to move from the Defence Forces. A change enabled through experience and education. Illustrated by me setting my own objectives of what I wanted to achieve for the firm and having the confidence to meet those objectives. My objective was to have strategic influence on the company through the establishment of the ICT Department.

A further shift in my meaning-making system becomes apparent in my resignation from the firm. By the time I resigned from the firm my objective was to disband the ICT Department and reform it as an executive arm of the MD<sup>58</sup>. The ICT function would continue to exist but with the emphasis on Team rather than Department. My plan was to continue to service, develop and maintain the ICT assets but to shift the emphasis of the department to improving collaboration throughout the firm. This perspective has a resonance with the work of Carr (2003) in relation to the use of IT in business and the work of Gulati (2007) where he discusses the limitations of departmentalised work practices. Carr takes the view that ICT has become a utility; there is little strategic advantage through investment in ICT if the supported business processes are not optimised. Taking the organisational perspective, Gulati (2007), considers organisational structures and relationships with a view to effective collaboration. In the traditionally

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<sup>58</sup> Managing Director

structured, departmentalised firm tensions can arise in turf-wars between departments. In a publishing firm, this is particularly pronounced in the interaction between the publishers and the non-publishers, i.e. the editorial and production staff and the support staff (ICT, Finance, Distribution, Marketing, and Sales). The editorial and production staff are 'subject to' their assumption that only they have an affinity with book publishing while the support staff are 'subject to' the assumption that the editorial and production staff do not truly understand commercial reality. The departmentalised structure tends to reinforce these prejudices and as result, there can be minimal cooperation between departments. This traditional structure very firmly marks the boundaries of each department to such an extent that worthwhile initiatives can fail and are not attempted through fear of failure.

During my tenure, there had been continuous investment in infrastructure and appropriate ICT training for all staff. However, it was clear that despite the investment and training, in many instances, that actual work practices and processes were not being optimised. While senior management supported investment in infrastructure and training, they were less enthusiastic about the implementation of related change.

This was highlighted for me in working on the production archive and by the challenges the firm faced in relation to e-publishing and redesigning the website. While the company prides itself on a relatively flat structure, it is tightly controlled on a departmental basis. There is a failure to properly recognise and encourage emerging talent; I believe this is because new and relatively junior staff pose a threat in terms of current knowledge to more senior staff. This was particularly manifest in how staff were regarded. It was difficult to move between departments and staff tended to be compartmentalised. When staff were promoted, it was usually because of longevity rather than ability. The perspective seemed to be that only those directly involved in the publishing process could have regard for the book and comprehend importance of book publishing to the firm.

Taking the perspectives that the firm was the customer of the ICT Department and that with ICT resources in all areas of the firm's activities, the ICT team had gained a good perspective on the firm and its activities, I sought to foster a culture of collaboration. Through implementation of Server Virtualisation, the ICT team now had excess capacity and were a resource to be utilised by the firm. We set up a series of workshops on topics

such as mind mapping<sup>59</sup> as a method of working, e-books, and metadata. These were well received and appreciated by staff.

My theory was that the ICT team would be of more benefit to the firm working on the business rather than working in the ICT Department. A further indication of my development is my change in focus, rather than striving for success of my department I was seeking to change the firm for success. It is my view that expertise existed in every department and that individuals wanted to contribute to the success of the firm and in many instances did not want to be constrained by their role. This finds resonance with Penrose ([1959], 1995:75), “The fact that most resources can provide a variety of different services is of great importance for the productive opportunity of a firm.” In addition I believed that through collaboration, expertise could be brought to bear to address issues facing the firm and at no extra financial cost.

By working in a departmentalised structure, the firm created a constraint for itself in terms of an “internal obstacle”, Penrose ([1959], 1995:66). She observes, “Internal obstacles arise when some of the important types of specialised service required for expansion in particular directions are not available in sufficient amounts within the firm – in particular when not enough of the managerial capacity and the technical skills required for the planning, execution, and efficient operation of a new programme can be had from among existing experienced personnel.” In the case of the publishing firm, the ‘specialised service’ was available but was not strategically deployed. My theory was that the ICT Team could provide the ‘specialised service’.

#### **4.8 A New Departure**

To avail of the ‘specialised service’ I suggested to the MD that the ICT Team participate in a number of cross-functional projects with a view to this method of working become the norm for all areas of expertise in the firm. Future projects or challenges would be addressed by forming a team drawn from the appropriate areas of expertise (departments) with the team being led by an appropriate individual. Because of the structure of the firm, the appropriate individual would, in many instances be a director. This was not because

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<sup>59</sup>Mind mapping is a technique used to visually organise information in diagrammatic format. The mind map is created around a central idea or question with ideas connected by branches. While the method uses this central concept of the central idea, the style and imagery used is unique to each individual. In many instances a software package is used to produce and organise the map.

a director necessarily had the technical skills required but it would provide a culturally acceptable mechanism for the firm.

As part of my proposal, I took into account the need to manage and maintain systems and service. The objective was to use the team's perspectives and expertise in other areas of the business. Because any major ICT initiative has an effect on all areas of the business activities, the team had developed a broad understanding of the needs of the business. As a test of this new way of working, I proposed that for each project, appropriate experts from each department would be seconded to the project group as required. I was trying to eliminate the silo mentality, facilitate cross-functional working, and encourage a climate of innovation and learning.

I sought to rename the ICT team to reflect the new emphasis in better serving the needs of the business. This change in name was intended to be a driver for ICT staff and a signal to others that change was being addressed. . In effect, I was suggesting that the role of Director of ICT be replaced by a new role of Director of Operations. As discussed previously, nomenclature was important in the firm and was a signal of acceptance by senior management.

### **Organizational Resistance**

While the MD agreed that my proposal was good and that there was a need for change, he failed to understand why I would suggest disbanding the ICT Department. He was concerned that ICT would 'grind to a halt' if the firm did not have a team working full time to maintain the ICT service. What I also discovered was that many key people privately agreed with my initiative but could not support it publicly, some thought it too radical and others had issues regarding secondment of staff. I believe that this was an example of Rapaport's (2010) '3ish' behaviour where members of the group in a group scenario did not want to oppose the group. My 'big assumption' was that this was a better use of resources and would benefit the firm. The firm did not agree. I was seeking to provide a service to the firm while the firm was seeking to maintain control of a department.

### **4.9 A Penrosian-Kegan Perspective on Professional Change**

My new meaning-making system necessitated seeking a new challenge. In the context of testing, I have come to realise that I was seeking to test my leadership within the firm. I had assumed that as a director that I should use my initiative and provide leadership

outside of the context and confines of my department. This was a result of my training and learning. However, this was a miscalculation on my part to assume that the firm would agree with my theories. The firm did not require anything of me other than the smooth running of my department. While I had changed in terms of my meaning-making system and my theories of business and ICT, I had failed to recognise that my perspectives did not reflect those of my fellow directors and therefore the firm. I had tested my meaning-making system in the context of the book-publishing firm and found, as I had in the Defence Forces, that to continue to develop and test my theories that a new challenge was needed. I resigned from the firm in November 2012 to take up a new role as CEO with the newly established subsidiary of an online firm.

The Penrosian perspective on my departure from the firm can be described in the context of the “Managerial Limit”. Penrose ([1959], 1995:45), defines the ‘managerial limit’ as a limit “set to the expansion of that firm in any given period of time”. Applying Penrose’s paradigm of ‘managerial limit’ to myself, I was attempting to broach this limit in terms of my activity as a manager by acting outside the remit of my role. I do not believe that this limit was consciously set but that (36) “the horizon of the firm, particularly of a smaller firm, is extremely limited.” This ‘setting of the horizon of the firm’ can be better understood in the context of Kegan & Lahey (2009) theory of ‘immunity to change’ in sense that the ‘horizon’ becomes an ‘assumption’ which is difficult to change.

Central to Penrose’s theory is the concept of the firm as a collection of resources with a key resource being knowledge. She (77) points out the importance research in the quest for knowledge, “The effort to discover more about the productive services of a resource may take the form of research into its characteristics or of research into ways of combining its known characteristics with those of other resources.”

It is this quest for knowledge through research into the combination of resources, which lead me to a convergence between the work of Penrose and that of Kegan and Kegan & Lahey. This convergence was transformational for me in my understanding of the publishing firm, my own development and my own aspirations.

#### **4.10 My Development as a Leader in a New Firm**

My new role as CEO with the online firm has presented me with both opportunities and challenges. I was moving from the relatively safe role as head of department in a long established and respected Irish firm to meet the challenge of setting-up and establishing

a new firm. The parent firm was incorporated in the US in 2002 and in 2012 went from being a small US based firm to a multi-national, still run by the two founders.

The firm offers free, online reference products, unusually free online reference material; the content is professionally edited and curated. In common with book publishing, revenue is generated through the monetisation of intellectual property. In this case, the intellectual property is used as a platform for the mechanisms of online advertising<sup>60</sup> and in-app<sup>61</sup> purchases.

The firm is very much a “new economy” company in that its core value is intangible, intellectual property. Kelly (1998:2), identifies the ‘new economy’ in terms of “three distinguishing characteristics”; “It is global. It favours intangible things – ideas, information, and relationships. And it is intensely interlinked. These three attributes produce a new type of marketplace and society, one that is rooted in ubiquitous electronic networks.”

My move to the online firm is similar to my move from the Defence Forces. On both occasions, I had been involved in an educational process, a challenge presented itself in the context of my professional development, and I was enabled to move from a safe and secure role into one of uncertainty.

This new role required what Penrose ([1959], 1995) would describe as an entrepreneurial approach. An approach described by Mintzberg et al (1998:130), as “the key to organisational success is personalised leadership, based on strategic vision”. Penrose ([1959], 1995: 85) refers to ‘strategic vision’ existing as “a close relation between the various kinds of resources with which a firm works and the development of ideas, experience, and knowledge of its managers and entrepreneurs”. Entrepreneur in this context has two interpretations; Penrose ([1959],1995) uses the term ‘entrepreneur’ in the context of leadership within the firm, the more modern interpretation in this context is ‘intrapreneurship’ in the sense that the entrepreneurship is occurring within the firm.

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<sup>60</sup> Online advertising is an advertising mechanism deployed on the internet. Visitors to a website are presented with advertising in the form of (in the case of this firm) banner ads. These ads are targeted at the site visitor based on their internet search terms and geographic location. For example, a visitor searching a medical dictionary is presented with an ad from a local health insurance provider. Revenue is generated for the publisher when a visitor clicks on the ad.

<sup>61</sup> In-app purchase is a mechanism similar to online advertising except that the ad is presented in an application (program) installed on a mobile device (phone or tablet).

‘Intrapreneurship’ is defined by de Jong & Wennekers (2008:4) as referring to “employee initiatives in organizations to undertake something new, without being asked to do so.” Entrepreneurship is generally regarded as being concerned with initiating a business. Defining entrepreneurs as innovators, Drucker (1985:36) continues, “Innovation is the specific instrument of entrepreneurship. It is the act that endows resources with a new capacity to create wealth. Innovation, indeed, creates a resource.”

My theory is that with innovation as a central concept of the theories of both entrepreneurship and intrapreneurship the distinguishing aspect relates to the focus of activity. Entrepreneurs tend to have ownership of the firm whereas intrapreneurs are employees within the firm who behave as an entrepreneur “to introduce innovation and revitalise and diversify business”, Solis (2011:264).

Rather than running a component of a firm, I was required to setup and establish a firm with the objective of providing credibility and substance. The owners require that the Irish firm becomes self-sustaining in terms of revenue and contributes to the group through the design and development of new product. While the activities associated with the establishment of the firm are purely administrative in nature I was required to be intrapreneurial in leading the firm's business activities, i.e. develop and lead the firm's activities but within the confines determined by the parent firm.

While the work of Penrose (1959) was useful in work with the established firm, it was less informative in the start-up situation. Her work is concerned with “the essence of the firm (‘running a business’)”, Pitelis (2002:8) rather than the entrepreneurial activity of creating a new business. She assumes that the firm is already in existence, well established in its industry, and of a certain size.

Having successfully established the company over the first 12 months of operation, I am now working to ensure that this firm is self-sustaining. I have a sense of duty to staff, which, always present in my previous roles, is now more of an obligation. By obligation, I am directly responsible for their well-being and payroll. I can no longer defer to the Finance Department as needed. In previous roles, the challenge for me was to achieve success despite the system; a challenge in my current role is the establishment of an effective operational system.

#### **4.11 Building a new team – a test of my theories on team building**

A key element of my professional practice is teamwork; this is a legacy of my military service. Something which I am ‘subject to’ but which I successfully use as ‘an object’. While the book-publishing firm regarded a team as an element of each department and confined by that department’s activities, I regard a team from the perspective of the firm, in the sense that the team should work for the firm rather than their department. Taking a Penrosian perspective on teamwork, a team is a collection of individuals who have experience in working together. It is through working together that knowledge is shared and increased. This growth of knowledge can drive innovation and the development of new products and services leading to the growth of the firm.

In establishing a team, I believe that it is my responsibility to ensure that participation in the team contributes to the development of each individual team member. To this end, I ensure that in so far as it is possible that the team members complement and learn new skills from each other. In the military scenario, team members are cross-trained to ensure continuity of service and support regardless of the circumstances. In my previous role, I ensured that all members of the ICT team could functionally cover each other’s roles. In this new firm, there are no departments, no ‘silos’ of knowledge or expertise. There is merely the team.

In the startup situation, I have recruited two team members to form the central core of the firm. An editor to work on content and an app developer to deploy the content. Given my view on how a team should operate, I decided to recruit individuals who were cross-skilled and who would not want to feel constrained by their respective roles. Of particular relevance in establishing a team is Penrose’s ([1959],1995:34) concept of “managerial competence” as a driver of growth of the firm, which along with my own theory on teamwork, I applied to the recruitment process.

#### **4.12 A New Recruitment Process**

To recruit staff, I decided to follow the firm’s established recruiting process rather than use the team building processes I had used in both the Defence Forces and the book-publishing firm. This was a test for me in that I was abandoning a tried and trusted method of recruitment and one that I knew to be successful.

The firms’ preferred process is that editorial candidates are selected for testing based on their CV and must pass a 2-part test. Part 1 is a written test of English grammar. This test



consists of 14 sentences with candidates typically taking 25 minutes to complete the test. On completion of the test, it is checked and only those candidates scoring 100% are interviewed. The objective of the interview is assessment of the candidate in terms of overall suitability to work in a small, cross-functional team.

Following a successful interview, the candidate is required to undergo Part 2, a test of editing skills. The objective of the testing is to ensure a high standard of grammar and editorial proficiency, the editorial test is a test of the candidate's consistency and accuracy. The initial editing test takes 4 hours, and the candidate paid for their time and similarly for any subsequent tests.

This method of test before interview finds resonance in the work of Bateson et al (2013); they suggest that the traditional recruitment process is backward in that the recruiter traditionally conducts testing as the last step in the process. They, Bateson et al (2013:2), cite their concern that candidates "by some estimates, nearly 50% - embellish their CVs" and that this has the effect of "reducing the utility of résumés as initial screening tools."

The reason for such rigorous testing is that editor will be working on the publication of an on-line dictionary. While publication of a dictionary calls for high standards of grammar, the on-line environment is particularly unforgiving. A glaring error cannot be simply fixed in the next edition, any such error is quickly publicised in the wilds of social media thereby damaging the credibility of the dictionary with the effect of reducing visitors to the site and thereby reducing advertising revenue.

There were 252 applicants for the editorial role and 106 applicants were tested before any candidate scored 100%, this was in keeping with the experience of the parent firm. The process was frustrating in that it was so protracted and I began to feel that the firm was 'subject to' its recruitment procedure. I raised this with the owners and they concurred, noting that they have had similar reservations regarding the testing process. However, in the long term this methodology has proven effective.

My subsequent recruitment of an App Developer<sup>62</sup> followed a similar process to that of the editor; the candidates were required to produce an app based on a spelling-bee game.

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<sup>62</sup> App Developer – an app is an application designed to run on a mobile device, typically Apple's iPhone or iPad or an Android device such as Samsung Galaxy phone and/or tablet. Developer was previously known as a computer programmer.

#### **4.13 No silos**

In my role with the online firm, there are no silos, no departments of knowledge. Instead, there is an open, learning culture. The cross-functional working I had sought to achieve in the book-publishing firm has become the norm in the new firm. As CEO of a new firm, I am in the unique position of creating a culture for the firm rather than having to adapt to an existing culture. This was a consideration in the hiring of staff, while the respective tests identified proficient candidates my concern was fit. I want people who can help me to build the team and develop the firm. I believe that by building a good culture of innovation and developing a good work place that we will build our team and in doing so drive commercial success. My perspective finds resonance in Garnsey's (2002:103) Penrosian perspective on the resources of the new firm, "A firm's internal resources include its members' problem-solving skills and experience."

Describing this new way of working in the context of the knowledge economy, Lengnick-Hall & Lengnick-Hall (2002:131) write, "The knowledge economy requires more from employees and their organisations. Task proficiency is still necessary, but it is no longer limited to the confines of a narrowly prescribed job description." Taking a Penrosian perspective with regard to the synergy between the firms' internal knowledge embodied in human and technological, resources and external, market opportunities; nobody in the firm is confined by job description, everybody is free to contribute and innovate outside of their contractual area of responsibility.

This is in fact a test of my theories of leadership, team building, and collaborative, cross-functional working. I can observe the team working on projects and adjust as necessary to ensure a successful outcome. We also collaborate with the parent firm in the USA and with contractors from other countries. My theories on cross-functional working have shifted from the local to the globalised firm.

In keeping with my own aspirations, I work on, rather than in, the business. It is a convergence of my learning, interests and experience and, presents me with a challenge. As I have changed jobs/roles over the years, I commence each new role with a plan of what I want to achieve in that role. In my current situation, my aspirations relate more to the success of the firm than myself; this is related to the responsibility for the team but also for their economic well-being and I believe illustrates a shift in my own development.

#### 4.14 The New Firm

What is different about the online firm when compared to the local publishing firm (or indeed any relatively long established firm) is that it was formed to exploit the internet rather than an existing company facing the challenge of integrating the internet with an existing business model or product. Porter (2001:64) writes of the need to “take a clearer view of the internet”. This, in my view, is something, which the online firm has done very well, and is borne out both by web traffic and bottom line revenue. My discussions with the founders have been interesting and they point to elements of luck or coincidence rather than deliberate planning with strategy being emergent rather than deliberate. Part of this lies in the nature of a dictionary and particularly one that offers quality through professional editing and is free of charge to the visitor. The commercial success of the firm parallels the rise of the Google search engine and AdSense<sup>63</sup>, advertising mechanism. Because the online offering is a dictionary, the firm is well positioned in terms of Google AdWords<sup>64</sup>, ownership of a large database of words ensures that the firm can attract online advertising from many industries and locations and is not confined by a subset of words.

It is interesting to note the tensions within the online firm – it has progressed over a 12 month period from being a USA based SME (in terms of the number of staff) to a multi-national company. Just as the emergence of new technologies challenged the basic business assumptions of the book-publisher so has the migration to multi-national challenged the online firm. They now operate in a new business environment with a large element of control moved from the centre.

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<sup>63</sup> **Google AdSense** is a program run by Google Inc. that allows publishers in the Google Network of content sites to serve automatic text, image, video, or interactive media adverts that are targeted to site content and audience. These adverts are administered, sorted, and maintained by Google, and they can generate revenue on either a per-click or per-impression basis. Google beta-tested a cost-per-action service, but discontinued it in October 2008 in favor of a DoubleClick offering (also owned by Google). In Q1 2011, Google earned US \$2.43 billion (\$9.71 billion annualized), or 28% of total revenue, through Google AdSense

<sup>64</sup> **Google AdWords** is Google's main advertising product and main source of revenue. Google's total advertising revenues were USD\$42.5 billion in 2012. AdWords offers pay-per-click, that is, cost-per-click (CPC) advertising, cost-per-thousand-impressions or cost-per-mille (CPM) advertising, and site-targeted advertising for text, banner, and rich-media ads. The AdWords program includes local, national, and international distribution. Google's text advertisements are short, consisting of one headline of 25 characters and two additional text lines of 35 characters each

One of the advantages of working for a US firm is the approach to innovation and learning. They face and accept the reality of failure and recognise it as a learning mechanism with the view 'fail but fail fast'. In a resonance with Kegan – fail but do not be 'subject to' failure, treat it as 'an object', a source of learning. This is an entrepreneurial perspective on failure. As an employee, failure is seen as bad and more so the further down the power structure the individual is ranked.

### **A Penrosian perspective on the New Firm**

While Penrose ([1959], 1995) is concerned with the growth of the firm, it is growth in the context of the well-established firm. She is not concerned with the size of the firm or with the rate of change in size of the firm. In her discussion on entrepreneurial activity, it is in the context of the existing firm in the sense of activity within the firm.

Taking a Penrosian perspective, the new firm is not a new firm rather it is a branch of an existing firm. It is a new firm only in the sense that it is a new legal entity in a country separate from the existing (parent) firm. Penrose ([1959], 1995:82) regards a new firm as an "extreme case". She describes this 'extreme case' in terms of a firm with "no resources at all other than the entrepreneur himself and what capital he can raise; the particular productive activities to be undertaken by such a firm must be chosen from among the alternatives suitable to the abilities, finance, and preferences of the entrepreneur." The new firm in this instance requires an intrapreneurial rather than entrepreneurial style of leadership.

### **4.15 Limitations of the Penrosian perspective of the growth of the firm**

Penrose's ([1959], 1995) theory discusses the growth of the firm from the perspective of why a firm grows, types of growth, factors affecting growth and the relationship between size and growth. Her work emphasises the growth process and regards size as "a more or less incidental result of a continuous on-going or "unfolding" process", Penrose ([1959]:1995:1). In formulating her theory, Penrose regards the firms as having an inherent predisposition to grow. The perspective that firms have a predisposition to grow is similar in effect to Kegan & Lahey's (2001:80) description of the 'big assumption' but such assumptions are necessary in the formulation of theory. She clearly indicates (31), "the firms with which we shall be concerned are enterprising and possess competent management". The limitation, which I experienced at the book-publishing firm, was that the firm was not enterprising and the competence of management was directed towards

administration of their own department. I was stepping outside the bounds of management and the remit of my role into the entrepreneurial (in the context of Penrose) space.

In addressing growth and the 'continuous' nature of the growth process she does not specifically address the issue of organisational change for the firm. Similarly, there is no discussion on the role of issue of human resource management and industrial relations in the growing firm. The assumption is that growth is a smooth upward line on the graph.

While Penrose does not discuss the organisation of the firm, it can be deduced from her work that the firm is hierarchical in nature. The entrepreneur provides the vision for execution by management and enactment by the workforce. The nature of the firms activities are industrial rather than service based. This view of the firm is of its time and society and is not a criticism.

Penrose's work is fundamental to the resource-based theory of the firm. The resource-based view of the firm considers the application of tangible and intangible resources at the firm's disposal as the basis of competitive advantage. Penrose ([1959], 1995:24) describes the firm as "a collection of productive resources, the disposal of which between different uses and over time is determined by administrative decision." Resources are discussed in terms of (25) "*the services*" that they can render to the production process. While Penrose (25) discussed "human resources" in terms of the services they can offer and in terms of cost. It is the resources of the entrepreneur and management, which she sees as the defining resources of the firm.

It is important to understand that Penrose's theory is not a roadmap for growth but is an account of factors, which can affect the growth of a firm over time. She states (31ff), "A theory of the growth of firms is essentially an examination of the changing productive opportunity of firms; in order to find a limit to growth, or a restriction on the rate of growth, the productive opportunity of a firm must be shown to be limited in any period." It may be that the firm has reached optimum size for its market or attained the horizon set by the entrepreneur and is 'subject to the inertia of success' (see section 3.9).

Penrose differentiates between entrepreneurs and management and does not include the concept of intrapreneurship in her view of the firm. It may be that the concept did not exist when she formulated her theory or may have been overlooked in favour of the more cleanly delineated entrepreneur and manager.

My experience is that the entrepreneurs (founders and shareholders), management and workforce of the book-publishing firm were predisposed to growth of the firm in terms of the maximisation of profit, through a desire for their own economic wellbeing. In the drive to maximise profit firms focus on the bottom line and can stifle growth through downsizing and/or reducing investment in innovation.

Given the seminal nature of Penrose's theory, it is and the nature of theory itself, it is an apparatus of thought, a framework that helps us understand aspects of the growth of the firm. For me, it is complemented by the work of others such as Drucker, Kegan, and my experience in practice.

#### **4.16 The limitations of learning and development offered in the work of Kegan.**

The theories of Kegan and Kegan & Lahey illustrate a linear developmental sequence, which as Keagan acknowledges draws on the earlier work of Piaget (1950). This linear development is at odds with the theory of Gardner (1983) in relation to multiple intelligences. According to Gardner, each individual possesses a unique blend of all the intelligences and this blend of intelligence empowers learning.

A key aspect of Kegan's and Kegan & Lahey's work is concerned with transformational learning, developing the work of Mezirow (1978). Transformative learning is concerned with learning which induces a far-reaching change in the learner through learning experiences which shape the learner's meaning-making. A critical element of transformative learning is reflective practice. Reflective practice (Schon 1982) is a learning method, which enables the learner to use their professional experience as a learning mechanism; meaning-making is understood and developed through reflection.

Highlighting issues with transformative learning, Mezirow (2009:95) highlights the need "for more clarification and emphasis on the role played by emotions, intuition and imagination in the process of transformation." This is because the process of transformative learning requires the learner to "critically assess and validate" their assumptions. This requirement of transformative learning for the learner to test their assumptions presents the individual learner and by extension the organisation with a barrier to their learning, an 'immunity to change' thus ensuring a continuation of the status quo.

From my own observation of my self as a learner and in the context of change process in the workplace, I believe that management of the pace of change is critical. While the changes I proposed in terms of e-publishing were ultimately successful, a more measured, restrained program of change on my part would have ensured greater participation in the change process on the part of my senior colleagues. Through reflection, I have come to realise that I was seeking to change processes and by extension change the work practice of my colleagues without properly managing their understanding. My ‘big assumption’ was that they shared my theory of what needed to be done and how it should be done. This program of change was occurring against the backdrop of an economic recession and far reaching changes in the publishing industry.

#### **4.17 Conclusion**

One of the most repeated mantras in business relates to the importance of people, how the firm cherishes its workforce, etc. However, in my experience at the book-publishing firm the most important performance indicator was the bottom line. The irony being that the ignoring ‘internal factors’ by the firm, such as deployment of the workforce, and analysis of ‘external factors’ did not arrest falling profit. The workforce were only considered in terms of cost and were not considered in terms of contribution. It is interesting to note that Penrose ([1959], 1995) sees the activities of management and ‘entrepreneurs’, and by extension human activity, as a key factor in the growth of the firm. This activity is particularly apparent in the development and growth of knowledge and specialisation within the firm.

Using the data of my experience, I reflect on the limitations of the Penrosian perspective of the growth of the firm. I recognise the seminal nature of her theory and highlight issues, which were relatively unknown in 1959. Continuing with the data of my experience, I discuss the limitations of Kegan and Kegan & Lahey’s theory of learning and development. In particular, I address the difficulties, for many people, associated with transformational learning. These difficulties reinforce the individual and organisational ‘immunity to change’ and ensure continuation of the status quo.

Commenting on the real value of the firm, DeGeus ([1999], 2007:194) sees traditional assets as “just dead objects”, he argues that the real value of a firm is the knowledge, capabilities, and spirit of the workforce. In a similar vein Coffman & Gonzalez-Molina (2002:20) refer to the impact of employee performance on the success of the firm, they

describe this in terms of “a motivating force that is determined in the brain and defines the specific talents and emotional mechanisms everyone brings to their work.”

In the knowledge economy, the workforce has moved from being simple components of the production process to being part of the firm’s assets. At the online firm, this is very much how I regard the team. The nature of a project determines the skills required to lead the team for the duration of the project. This requires that I change my role as required with the only exception being that I remain accountable, particularly in the event of failure. The challenge for leadership and management is to design and align processes with the firm’s strategy and more importantly foster an environment where collaborative work is enabled through the reorganisation of the firm if necessary.

Theories constitute our way of dealing with the world they provide the foundation for our meaning-making system. We continue to learn and adapt as we go through life in what Hoffman & Casnocha (2013:L382), with a nod to the software industry, refer to as “permanent-beta<sup>65</sup>”; “It doesn’t matter whether you are a recent graduate, a seasoned professional, or a reinventing yourself mid-career. Great people, like great companies, are always evolving. They’re never finished and never fully developed. Each day presents an opportunity to learn more, do more, grow more. Permanent beta is a lifelong commitment to continuous personal growth. It is the mind set of every entrepreneur of life.”

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<sup>65</sup> The term “beta” is commonly used in the software industry to refer to the final stage of software development just before the product is launched to the marketplace. In this stage, the product is typically highly functional and is being used by a community of “beta users” to test it out and provide feedback before the product is finalized. In other words, it is a stage of constant evolution or growth; a work in progress.



## **5. Conclusion**

### **5.1 Introduction**

Central to the compilation of this portfolio is consideration of theory and the use of theory coupled with the personal data of experience. It is this combination of formal theory with the personal data of experience, which provides a unique perspective or insights into my professional development.

The reflective space provided by the compilation of this Portfolio has enabled me to discern key elements in my meaning-making system. I have detailed instances of ‘developmental moments’ and ‘transformational learning’ and how these have influenced my professional practice. Theories of adult mental development have been fundamental to my analysis and understanding of the theories, which constitute my meaning-making system. Theories associated with my military training coupled with my training and experience in the field of corporate ICT are ingrained in my professional practice. My career in the book-publishing industry encompassed a period of change and challenge for my employer. I sought to address these through my theories of the book and the organisation of the workforce.

I started this doctoral process with a view of what constitutes business economics. This was a narrow perspective. In the words of Sedlacek (2011:9), I had created “a self-inflicted blindness, a blindness to the most important driving forces of human actions.” Using Kegan’s (1982) terminology, I was ‘subject to’ my concept of what constituted economics, business, and by extension business economics. I was blind to the multi-faceted nature of economics and business. While I was ‘subject to’ my narrow perspective of business economics, I was also ‘subject to’ my desire to explore, learn and understand. I was not content to allow my perspective on business be limited by my work in ICT.

While I had always recognised the importance of the team to success in the workplace, I had not fully understood the impact of change on the individual. My emphasis always tended to be on the team and the objective. I was ‘subject to’ theories formed as result of my military training. Exposure to the work of Kegan (1982,1991) and Kegan & Lahey (2001,2009) has provided me with a good theoretical foundation and a deeper understanding of how change is perceived by people and particularly so in the work environment. In particular the concepts of ‘sponsoring thoughts’, ‘the big assumption’

and the importance of the language used in the workplace. For example, how language is used can either exaggerate or trivialise a situation. I rail against the manager who, when faced with a new computer program and associated business process to test, tells his staff to ‘play around with it’. Using language in this way produces the expected result. The language used engenders a ‘sponsoring thought’ and in this instance trivialises the nature of the work required. Testing is ad-hoc and trivialised, rather than structured and formal.

Just as my earlier learning was the catalyst for my career change from the Defence Forces to the publishing firm, the doctoral process has been the catalyst for my transition into my current role as CEO of an online firm. This move from a traditional and well-established firm finds its roots in my reading, studies, and reflection. I could not allow myself to remain ‘subject to’ a future of merely working in, rather than on, the business.

Highlighting the importance of the leader to the success of the business Allison ([1999], 2011:ix) writes, “Businesses largely succeed or fail based on basic ideas – i.e., their philosophy – not complex strategies or esoteric activities.” This has a resonance with Drucker (1994) where he provides a framework, to forensically examine and evaluate the theories fundamental to the business. It was my exposure to the doctoral process, which enabled me to comprehend the concept of theory and Drucker’s use of the concept of theory in relation to the business.

Critical to my new understanding of the activities of the firm – the business – has been my exposure to the work of Penrose ([1959]1995) and Drucker (1994). These works were fundamental to my increasing understanding of the firm and its activities. Reading and comprehending these theories prompted me to question the activities of the book-publishing firm in meeting the challenges of e-publishing. Fundamental to my questioning was Penrose’s ([1959], 1995:42) perspective that “it is appropriate to start from an analysis of the firm rather than of the environment and then proceed to a discussion of certain types of environmental conditions.” I continue to draw on these authors in the course of my work with an online publishing firm as I seek to expand “the productive opportunity of the firm”, Penrose ([1959],1995:42).

## **5.1 Key Learnings**

The key learning outcomes for me have been discovering the nature of theory and how I can apply theory in my professional practice. Each of the following sections is a discussion on an element of my learning through this doctoral process and the implications for my professional practice.

In Section 5.2, I reflect upon the nature of the organisations where I have worked. Teambuilding is a critical component of my professional practice and in Section 5.3; I discuss my new perspective in the context of adult mental development. Section 5.4 examines my new understanding of the learning process. Much of my professional practice has been in the knowledge economy and I discuss the nature of my learning in respect of knowledge in Section 5.5. Section 5.6 is a discussion on leadership. Leadership is enabled through learning and this is borne out by theories of adult mental development. Section 5.8 is an examination of the changing nature of human activity in the workplace. The formative role Information and Communication Technology in my professional development is explored in Section 5.8. Section 5.9, summarises my learning experience in the doctoral process.

## **5.2 Organisations**

In each of the elements comprising the Portfolio I have sought to examine my own theories and professional experiences against the backdrop of the organisations where I have been employed. These range from the military, perceived as a conservative organisation, to book publishing, perceived as a relatively liberal organisation to an online firm, perceived as a relatively unstructured organisation.

Based on my experience the popular perceptions about each of these organisations are incorrect. The military is conservative in outlook with regard to cultural change but perhaps more than many Irish organisations, has undergone a program of modernisation and transformation throughout the 2000s<sup>66</sup>. In Irish terms at approximately 10,000

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<sup>66</sup> The White Paper sets out the policy on Defence for the next decade (2000-2010) with a view to ensuring an appropriate level of defence capability-having regard to the changing defence and security environment both at home and abroad. The objectives of the White Paper are; to provide a medium term policy framework within which Defence policy can evolve to set out a clear strategy for the next ten years; to provide for the continuation of the reform programme of Defence services, already commenced under the Defence Forces Review Implementation Plan, consistent with the national and international security environment and the state of the public finances; to ensure that the management of Defence services is in accordance with the evolution of the Strategic Management Initiative for the public service; and, to set out

people, it is one of the largest organisations in the State. The root of the perception of conservatism is in my opinion, based on the segregated rank system. However, segregation exists to some extent in the all of organisations I have encountered. Segregation can appear stark in the military due to rank, associated insignia and privileges. Overall, I found my military colleagues to have a broader world-view than my colleagues in publishing and in many instances to be more widely read. I believe this is because the military attracts a broader socio-economic mix than a civilian firm does. The Defence Forces are deployed across a number of national and international locations, with a broad range of skills and expertise. In the case of the book-publishing firm, it is based in Dublin, is involved in a specific set of activities with a specific output. While a stereotypical candidate can be described for each organisation, the scale of each organisation determines that individual's career progression and personal development. The soldier can be deployed as part of UN peacekeeping missions and therefore takes an active interest in both current and international affairs.

The online publisher can be perceived as a flat, unstructured organisation. While this is the case when compared to the departmentalised organisation, it is in fact highly regulated and structured. The activities of the firm are dependent on high availability computer network that is designed to serve up to 300,000 visitors per hour across all parts of the world. The unstructured nature of the firm is typical of an online business where expertise is not confined to departments or individuals.

### **5.3 Teambuilding**

Throughout my career, I have had the good fortune to establish and work with excellent teams. My success in team formation and leadership stems from my experience of military training and my exposure to the practice of an online firm. The doctoral process has enabled me to reflect on the effective use of this learning. To examine it from the perspective of adult mental development and to make sense of something, which I took for granted. This new understanding has assisted me to become more effective in my current role of building an effective team and ultimately a commercially successful firm.

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the basis for the future development of Civil Defence policy and the follow-up to the present "*Towards 2000*" strategy.

Source: <http://www.defence.ie/website.nsf/document+id/93191A155924DAD5802570C8005065D3>

## **5.4 Learning**

My Professional Development Review has enabled me to perceive and understand how I learn and the types of learning with which I have engaged. Since I re-joined the Defence Forces in 1993, I have been continuously involved in training and further education. It is often the case that I learn practice before formally learning the associated theory. What I have come to realise is that my education has provided me with a mechanism to delve behind the practice to discover the theory and thus achieve a deeper understanding. This seeking of the underlying theory and my striving to introduce better practice and procedures in the workplace have been facilitated by my learning, experience and in particular by the challenges presented through the doctoral process.

I have observed how my theories have changed and how both my informal and formal learning has moulded my original career aspirations. Each of my career changes was substantiated in a formal education process. It has been my experience that the informal learning acquired on courses of formal education was, on a personal level, of a more profound nature than the formal learning. I discovered that I had professional competence outside of my current, and what had become my safe, environment. I also discovered the nature, extent and value of my experience and that I was able to meet the challenge of adapting to a new environment.

My learning has also enabled me to strive for innovation in the workplace and the reflective nature of the Doctoral Process has enabled me to reflect on why, in the case of the publishing firm (Reading for Change), the need for change and my desire to facilitate that change was not entirely successful. While staff appeared to be engaged with the process and while the firm acknowledged the need for change, there was a lack of credible commitment to change on the part of the leadership of the firm. I have come to realise that for change to be successful it requires more than analysis and a good idea coupled with enthusiasm to succeed. What is required is a credible commitment from those in a leadership position to facilitate and encourage staff engagement in a reassuring way.

## **5.5 Knowledge**

My reading for the doctoral process in relation to the publishing firm and the nature of the industry lead me to explore organisational structure and in particular the nature of the knowledge firm. Publishing by its nature and output is a knowledge-based industry but in terms of organisation, the firm is traditional in that it is based on a departmental

structure. The concept of a knowledge economy was popularised by Drucker ([1969], 1992:263) who defines “knowledge industries” as those “which produce and distribute ideas and information rather than goods and services”. The term ‘knowledge industries’ was first defined by Machlup ([1962], 1972:44) who was the first to recognise the economic importance of knowledge. He ([1962], 1972:21) distinguishes five types of knowledge:

1. “Practical knowledge: useful in a man’s work, his decisions, and actions; can be subdivided according to his activities into: (a) Professional knowledge; (b) Business knowledge; (c) Workman’s knowledge; (d) Political knowledge; (e) Household knowledge; (f) Other practical knowledge.
2. Intellectual knowledge: Satisfying a man’s intellectual curiosity, regarded as part of liberal education, humanistic and scientific learning, general culture; acquired as a rule in active concentration with an appreciation of open problems and cultural values.
3. Small-talk and pastime knowledge: Satisfying the non-intellectual curiosity or his desire for light entertainment and emotional stimulation, including local gossip, news of crimes and accidents, light novels, stories, jokes, games, etc. Acquired as a rule in passive realization from “serious” pursuits; apt to dull his sensitiveness.
4. Spiritual knowledge: related to his religious knowledge of God and of the ways to the salvation of the soul.
5. Unwanted knowledge: outside his interests, usually accidentally acquired, aimlessly retained.”

While Machlup identifies components of the ‘knowledge industry’ he comments on the intangible nature of knowledge as a component of production and identifies book publishing ([1962], 1972:208) as one of “the few exceptional circumstances where we do have consumption expenditures in the form of purchases of product at market prices”.

Both Machlup (1962) and Drucker (1969) describe the concept of the ‘knowledge industry’ the reality of the knowledge economy has arrived. Of particular interest to me is the organisation and structure of the knowledge-based firm. Based on my experience and observations of the book-publishing firm and the challenges it faced, the problems I identified are; the traditional departmentalised management structure and the firm’s

theory of what constitutes a book. Of these two problems the more difficult, to address is the management structure because it is at the heart of the culture of the firm. The traditional departmentalised structure does not cope well with changes to nature of the output, the technologies deployed and the expert nature of the knowledge worker or the changing market expectations.

Traditionally people have defined themselves in terms of their work and their property. Some commentators believe that this perspective will change with consequent changes in society, economics and politics. This, it is believed will come about because of changes of ownership in the means of production. In the knowledge economy, the knowledge worker is the means of production and in a resonance with Normann (2001) is very much a stakeholder rather than a mere functionary. The knowledge economy brings the individual to the fore and in doing so challenges the structure, management, and leadership of the firm. The challenge for an existing firm is to recognise itself as a knowledge firm and to an extent, this is the challenge I describe in Essays 2 and 3 regarding the publishing firm. Because of a misunderstanding of what constitutes the knowledge economy and the knowledge firm, many existing firms believe it is sufficient to invest in ICT rather than question their ‘theory of the business’, to determine the real nature of their business.

A problem facing the publishing firm with regard to its strategic investment in ICT is described by Carr (2004: xii), “information and talent often form the basis of business advantage. That has always been true, and it will continue to be so. Indeed as the strategic value of technology fades, the skill with which it is used on a day-to-day basis may well become even more important to a company’s success.” This finds resonance with Penrose ([1959], 1995:24) in her description of the firm in terms of “productive resources”, where such resources “not just those of its managerial and other personnel, but also of the physical resources with which a firm works.” Commenting on the knowledge embedded in the capital equipment of the firm she writes ([1959],1995:79) “Moreover, many developments in technological knowledge become available to firms not simply as new knowledge, but physically embodied in the form of the capital equipment they buy.”

Discussing the impact of information technology in the workplace, Levy & Murnane (2004:20) examine the role of labour in the knowledge-based economy. While information technology can process hard data in an information exchange or business

transaction it does not easily facilitate the storage and processing of soft data such as facial expression or tone of voice. The ideal situation in their view is a complementary system of information technology and human intervention. “The manager who guides and motivates subordinates, the teacher who helps a student to reach an understanding, the salesman who convinces a customer to buy: they have always been regarded as skilled workers. In an economy flooded with new information and new products, the value of their skills increases since communicating complex information is not a task computers do well.”, Levy & Murnane (2004:78).

## **5.6 Leadership**

As I discuss in my Professional Development Review, the basis of any military organisation is people. The people-centric nature of the military organisation requires leadership and the military prides itself on its ability to produce and nurture leadership. Indeed, leadership has become a leading topic in life and in business. It has become a publishing segment of itself as evidenced by a visit to the business or psychology section of any bookshop or library and a proliferation of courses in business schools.

Leadership is regarded as a fundamental requirement of organisations but can leadership be properly considered without consideration of followers? Seow Wah (2009: vii) writes, “The concept and definition (of leadership) is incomplete if not defined in conjunction with follower-ship.” Leadership is primarily concerned with change whereas Management is concerned with detail, Kotter (2001:3) observes, “...leadership and management are two distinctive and complementary systems of action. Each has its own function and characteristic activities.” A key requirement for both roles is the ability to communicate across and through the organisation. When faced with change, leaders need to build consensus in the organisation. This consensus is not merely concerned with getting all stakeholders to say yes but rather getting stakeholders to buy-in to the vision.

Many people aspire to leadership and like to think of themselves as leaders the fact is that, the vast majority are followers in all aspects of their lives the workplace, sporting, religious and political activities. However this may not hold in the knowledge based company, as DeGeus ([1999], 2007:187) acknowledges, “A company does not unconditionally need a single hand on the tiller. The personal use of power to steer does not necessarily serve a healthy purpose. It could reduce the number of brains engaged in the 'planning-as-learning' activity, and it could be seriously disorientating.” While it can



be the case that a company does not ‘need a single hand on the tiller’, people do need accountability. Those in leadership positions often have to face what the military term, as ‘the loneliness of command’. Although many people aspire to leadership and its trappings, they do not seek accountability. While I have facilitated the establishment of cross-functional teams at the publishing firm, my role on these teams was to take accountability in the event of poor results and by doing so aim to protect the junior members of the team.

The popular perception of book publishing is that it is a liberal, arts based, creative industry and therefore must be populated by liberal people. This is true to the extent of each individual’s personal beliefs but in the context of a publisher firmly rooted in the Irish curriculum market and family owned and run, there is a marked conservatism. This conservatism of itself leads to departmentalism and segregation of staff. While book publishing is a cultural industry and forms part of the media industry, it has not until very recently, been faced with large scale technological and process change. The nature of the market, ownership of the firm and market presents an organisation that is in many ways more conservative than the military. While I had experienced this conservatism manifest as a fear of or reluctance to embrace technology it was not until I explored the history of book publishing and considered what is the definition of a book that I fully understood this conservatism in the context of the industry, which I describe in Essays 2 and 3. This deep conservatism permeates the management structure to the extent that even though the need to change to meet the evolution of the book is acknowledged, it is very difficult for the firm to successfully adapt. My exposure to the work of Kegan provided me with the theory, the apparatus of thought, to understand on a personal level how the changes wrought in the industry affected individuals. This also enabled me to understand their fears and to strive to work with them to implement changes to technology and processes. I believe that part of the reason that my change initiative did not come to fruition was because of the conservative nature of the firm, which became entrenched when faced with the onslaught of the downturn in macroeconomic conditions coupled with the changes at the fundamental level of the book. I am still of the view that these challenges could have been addressed and minimised by addressing the ‘theory of the business’ and through examination of ‘the nature of the firm itself’.

## 5.7 Workforce

Reflecting on the nature of expert knowledge, Follett ([1918], 2003:258) writes, “It is not a knowledge of his specialty which makes an expert of service to society, but his insight into the relation of his specialty to the whole.” She further comments on the nature of leading individuals of the industrial revolution, in terms of the “excessive and arrogant individualism of the nineteenth century”. Her description of ‘arrogant individualism’ has a presage with Rapaport’s (2010) interpretation of the ‘darker side’ of Kegan’s Level 4.

All human activity and particularly so in the workplace, requires some level of brain activity or in a more formal term, the cognitive processing of information. Throughout history, much of the work done required a person using tools or machinery to perform a task. Historically the tools and machinery have been analogue, designed to minimise physical human effort to perform a task. The processing power, such as adjusting the machine, was provided by the human operator. With the advent of the electronic computer into the workplace the human processing power was replaced by the microchip, this was particularly the case with repetitive tasks. This release of the worker from the more menial tasks particularly in the manufacturing sector has led to a rise in more information orientated tasks and the subsequent changes in organisations, management and leadership.

When I set out to undertake the doctoral process my research proposal was centred on the publishing industry, but as I was presented with new concepts and theories my thinking changed and I sought various vehicles or mechanisms to address my interests. Through reading, talking, and reflecting, I have come to realise that my interests and strengths are centred in people and organisational culture particularly in the context of disruptive change. To examine these areas I once again find myself looking to the book publishing industry and in my professional life found myself at the centre of successful publishing company facing into the onslaught of industrial change in the context of a difficult business environment.

Regardless of the nature of the business environment or industry, the success of a firm is due largely to the interaction of individual performances in pursuit of a common goal. DeGeus (1999:51) sees traditional assets as ‘just dead objects’. He argues that the real value of a firm is the knowledge, capabilities and spirit of the workforce. In a similar vein Coffman and Gonzalez-Molina (2002:96) refer to the impact of employee performance

on the success of the firm they describe this in terms of “a motivating force that is determined in the brain and defines the specific talents and emotional mechanisms everyone brings to their work.” In the context of the knowledge economy, the workforce has moved from being simple components of the production process to part of the firm’s assets in that each individual’s knowledge and expertise forms part of the firm’s means of production.

The challenge for leadership and management is to design and align processes with the firm’s strategy and more importantly foster an environment where collaborative works are enabled through the reorganisation of the firm if necessary. Penrose ([1959],1995) writes of the importance of utilising ‘unused services’ within the firm. In military training, the importance of the team is emphasised and much of the tactical training involves role-play where the candidate is given a role<sup>67</sup>, associated resources and an objective. The candidate is assessed on a number of factors with one of the most important being teamwork; to be successful in this regard requires each member of the team to deploy correctly. Failure to deploy correctly on the part of a team member (or component<sup>68</sup>) is regarded as a failure of leadership and can result in a negative assessment for the candidate under assessment. To achieve this level of teamwork and efficiency the military rely on discipline, culture, and comradeship. The challenge in my case (and similarly for many ex-soldiers<sup>69</sup>) is to implement the same level of teamwork in the civilian workplace where the benefits of teamwork are needed but the military-style framework or any formal framework does not exist to form and manage high performing teams.

It is common in business for the workforce to be described as an asset when in fact they are treated as a cost. This has been highlighted recently by the cost-cutting approach of many firms in reaction to the economic downturn as they reduce their workforce. Due to a lack of accounting finesse, many organisations measure the cost of human capital in terms of the acquisition or replacement cost of an employee or the gross salary of the

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<sup>67</sup> For example a candidate on a could be given appointment as Platoon Commander i.e command of 30 soldiers with the objective of organising defence of an area or taking an objective.

<sup>68</sup> Component in this instance is a sub-unit or team for example a machine-gun team or mortar detachment.

<sup>69</sup> Those who have served in the Defence Forces are, on discharge, considered to be ‘exers’ rather than civilians. The implication being that having served one does not completely revert to being a civilian.

individual. One of the main problems with this approach is that the strategic value of the individual is overlooked. It can often be the case that a young talented, enthusiastic, vibrant staff member is made redundant in favour of a more established employee because it is cheaper in accounting terms, due to redundancy legislation, to retain the more established employee. In strategic terms this is, at best, short sighted.

The problem with the above approach stems from the narrow focus of cost accounting; lack of a suitable measurement system; and application of the old style personnel management approach. However, in practical terms it is difficult to envisage a system, which could benchmark human potential in terms of hard data reflecting their abilities or strategic contribution to the firm.

The emphasis on “human capital” as an asset or key strategic resource of a firm can be traced back to the shift from personnel management, with its military overtones, to human resource management. Howkins (2001:202), “Human capital is a strikingly unusual kind of capital. It was the first to be recognized as something personal and ‘within us’, whereas financial and physical capital are ‘out there’.” Newell & Scarbrough (2002:2) define Human Resource Management “in simple terms as the management of people in organisations. In modern societies, with complex changes in the nature of work and technology, it is increasingly recognised that the effective and efficient production of goods and services requires more from employees than their passive compliance with managerial instructions.”

## **5.8 Information and Communication Technology**

A major component of my professional life has been my work in the realm of Information and Communication Technology. This experience and learning has given me insights into business processes and lead me to explore the theories and nature of business. It has inspired rather than confined me. My frustration in the publishing firm was that I was defined by my ICT related role and thus confined. This confinement was in keeping with the departmentalised structure of the firm and to some extent represents a ‘3ish’ perspective on the part of the firm.

One of the critical success factors for a firm concerns the management of information. This has always been the case in business but, what is different now is the volume and variety of data presented to management. The volume of data has been enabled by the increase of computing power coupled with a declining cost of computing technology.

Data has become ubiquitous in organisations but needs to be recognised and managed to become a working asset.

A key requirement of managing the ICT function in a firm is the need to manage conflict in relation to the changes wrought through the implementation of IT in the workplace. Commenting on Follett's paradigm of 'constructive conflict', Child (1984:285) regards this as essentially encompassing two key aspects of the knowledge economy, with reference to the "radical changes in the organisation of work" through the implementation of integrated ICT systems and "the management of international business ventures." While knowledge has always been a key component of the economy, the dissemination of ICT systems and the interconnection of these systems has enabled the establishment of a new economy based on the monetisation of intellectual property. Describing the enabling power of technology Kelly (1998:33) states, "Technology has become our culture, our culture technology". While technology plays a key role in economic activity, its role is dependent on learning and leadership. Chowdhury (2000:108) describes this interdependence of technology with learning and leadership, "Technology is growing in importance but will not replace the importance of bringing leaders together to deepen the learning experience."

## **5.9 Contribution to Theory**

This portfolio of research draws on the work of Penrose to analyse and contextualise the firm as the basis of my practice and the work of Kegan and Kegan & Lahey to illustrate and analyse my professional development through transformational learning. Using the data of my experience, I was able to examine the theories of these writers.

Penrose's ([1959], 1995) theory discusses the growth of the firm. In formulating her theory, Penrose regards the firms as having an inherent predisposition to grow. The perspective that firms have a predisposition to grow is similar in effect to Kegan & Lahey's (2001:80) description of the 'big assumption' but such assumptions are necessary in the formulation of theory. Penrose is not concerned with the new firm in addressing growth and the 'continuous' nature of the growth process she does not specifically address the issue of organisational change for the firm. Similarly, there is no discussion on the role of issue of human resource management and industrial relations in the growing firm. The assumption is that growth is a smooth upward line on the graph.

Although Penrose discusses growth, knowledge and innovation, she does so in the context of entrepreneurs and management. She does not include the category of intrapreneur. This category may not have been relevant at her time of writing or may have been overlooked in favour of the more cleanly delineated entrepreneur and manager.

It is important to understand that Penrose's theory is not a roadmap for growth but is an account of factors, which can affect the growth of a firm over time and an attempt to 'find a limit to growth, or a restriction on the rate of growth'.

The theories of Kegan and Kegan & Lahey are concerned with learning and development and in particular with the social and cognitive basis for transformational learning. These theories of learning and development present the developmental process in a linear format. This presentation is at odds with the theory of Gardner (1983) in relation to multiple intelligences. According to Gardner, each individual possesses a unique blend of all the intelligences and this blend of intelligence empowers learning.

A key aspect of Kegan's and Kegan & Lahey's work is concerned with transformational learning, developing the work of Mezirow (1978). Transformative learning is concerned with learning which induces a far-reaching change in the learner through learning experiences which shape the learner's meaning-making. A critical element of transformative learning is reflective practice.

Highlighting issues with transformative learning, Mezirow (2009:95) highlights the need "for more clarification and emphasis on the role played by emotions, intuition and imagination in the process of transformation." This is because the process of transformative learning requires the learner to "critically assess and validate" their assumptions. This requirement of transformative learning for the learner to test their assumptions presents the individual learner and by extension the organisation with a barrier to their learning, an 'immunity to change' thus ensuring a continuation of the status quo.

### 5.10 A New Horizon

*“To go wrong in one's own way is better than to go right in someone else's.”*  
Dostoyevsky ([1866], 2013:150)

The doctoral process has presented a unique learning experience. My reading had narrowed and, was driven largely by what was required for the BSc and MBA. Each of these courses presented new ideas, opportunities and learning but when coupled with the demands of my personal and professional life, I did not have time to think, I was becoming streamed into ICT. In ICT, my work had been empirical and technical in nature. I railed against this perception of myself. I was being perceived as a good technician, nothing more. I sought to change my work practice to reflect my interests and potential. I was not to have a view on the business and, if I had it was not welcomed. I believed that a Doctoral qualification would help change this perception both in myself and in the eyes of others. The doctoral process and the exposure to the work of Kegan (1982,1994) and Kegan & Lahey (2001,2009) persuaded me, using a different set of theories, to look again at myself, my values, how I learn, how I work and how I think, and why do I think as I do. This examination of how I operate, my meaning-making system, has lead me to a better understanding of how others think, and how they are constrained or respond when faced with a challenge.

This course of study has broadened my horizons far beyond the models of economics I had expected to learn. From an economic perspective, reading Penrose I came to understand the fundamentals of the business and through Drucker I came to understand how the business must continually question itself and evolve along with its operating environment. I learned too, to apply these theories to myself through questioning and reflecting – ‘what business am I in?’ Through exposure to the work of Kegan, I have reached a better understanding of myself, the nature of my learning, and my professional practice. I remain ‘subject to’ the military theories of team building and particularly in the realm of small unit tactics. ‘Subject to’ in the sense that I continue to use these theories but have adapted them and now use them as ‘an object’.

I have pursued my professional development in tandem with formal education, and I have come to realise the transformative nature of education. My exposure to this transformation coupled with my own experience has lead me to test myself, to stretch my

limitations, and expand my knowing. In a sense, I have developed and tested myself beyond or, out of my roles. I have changed my professional practice through the development of my theories of ICT, knowledge, business and leadership. I now comprehend my need for that testing as a valid learning mechanism. I test, observe and learn. Describing military training in the context of leadership, Collins (1978:201) writes, “Training in leadership never stops, and the execution of a training responsibility provides a good opportunity to teach leadership by example.” From my perspective, while a training course is finite, in practice personal development continues through the cycle of application, evaluation, and development of theory.

As I discuss in the introduction to this Portfolio, Sedlacek (2011:8) tries “to show that it is crucial for economists, and a wider audience as well, to learn from a wide range of sources”, he reasons, “that to be a good economist, one has to either be a good mathematician or a good philosopher or both.” He further emphasises that economics requires a “philosophical, historical, anthropological, cultural, and psychological” approach, which he describes as “metaeconomics”, a term he “borrowed from metaphysics”.

Through this doctoral process, I have come to realise that my meaning-making system consists of learning drawn from wide range of sources. It is learning from a wide range of sources coupled with experience that contributes to the uniqueness of each individual.



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## **Appendix 1**

The basic rank structure of the Irish Army/Air Corps

### Commissioned (Officer) Ranks

Lieutenant General

Major General

Brigadier-General

Colonel

Lieutenant Colonel

Commandant (equivalent to Major in most international Forces)

Captain

First Lieutenant

Second Lieutenant

### Non-Commissioned Officer (NCO) Ranks

Battalion Sergeant Major

Battalion Quartermaster Sergeant

Company Sergeant

Company Quartermaster Sergeant

Sergeant

Corporal

Private<sup>70</sup> 3-Star, 2-Star

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<sup>70</sup> Note: In the case of the Air Corps, Private is designated Airman and Company formations as Flight so that Company Sergeant is designated Flight Sergeant. Battalion as Regiment so that Battalion Sergeant is designated Regimental Sergeant Major.

## Appendix 2

### A Brief History of Book Publishing

To appreciate the nature of the publishing firm it is necessary to understand the history of the book. The book differs from most other industrial output in that it links directly back to the individual creative process of the author. The key aspect of the printed book is that it is the ‘written word’ coupled with the fact of its publication in a ‘commercially viable physical form’. The published book has undergone the publishing process, which transforms it from manuscript, (the initial draft of the book produced by the author) into the published book, through the processes of editing, design, typesetting printing and binding. As digital technology has developed, the concept of the printed book as the definitive form of the book is diminishing and the book may be more accurately described as content. It is the ownership of content and control of copyright along with the capacity to assume the financial risk of publication, which constitutes the economic power of the book-publisher.

Feather (2006:9) describes book publishing as having its origins in the creation of the Guild of Scribes in London in the fourteenth century. Book collectors, generally wealthy individuals, employed the scribes to copy books. Over time, stationers became the intermediaries between the scribes and the book buyers. McCleery (2007:L1067) relates the origins of the publishing industry to the invention of printing, “The invention of printing transformed books into a tradable commodity that required, like any other, a system of production, sales and distribution.” Prior to the invention of printing, books were produced by hand with one of the earliest and best-known examples being the Book of Kells<sup>71</sup>. Such books were laborious, time consuming to produce, because of their scarcity were very valuable, and were generally biblical in subject matter. The invention

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<sup>71</sup> The Book of Kells (on display at Trinity College Dublin) is celebrated for its lavish decoration. The manuscript contains the four Gospels in Latin based on a Vulgate text, written on vellum (prepared calfskin), in a bold and expert version of the script known as "insular majuscule". The place of origin of the Book of Kells is generally attributed to the scriptorium of the monastery founded around 561 by St Colum Cille on Iona, an island off the west coast of Scotland. In 806, following a Viking raid on the island which left 68 of the community dead, the Columban monks took refuge in a new monastery at Kells, County Meath.

of printing enabled books to be produced and reproduced relatively quickly, cheaply and accurately.

Feather (2006:21) describes the demand for these early printed books, “The transition from manuscript to a printed culture was not marked by a sudden change, but rather by a gradual transition.” Feather attributes the rise of the British publishing industry to the need to produce “books in the vernacular” which was enabled through the arrival of printing in England approximately 20 years after it was invented by Gutenberg (in Germany). Prior to the arrival of printing into England, books produced in Europe were imported into England, these imported books were typically in Latin and demand arose for books in the English language. The sale of imported books was the foundation of the book trade, which in turn gave rise to the establishment of an indigenous publishing industry.

The book industry was self-perpetuating as books became more easily available; more people began to learn how to read thus increasing the demand for books. Many of the early books were copies of existing manuscripts or based on local oral tradition. As demand increased, it became necessary to source new material and so the printers and publishers established relationships with professional writers. In the early days of the printed book, these relationships tended to be local arrangements with a publisher/printer commissioning books of local interest from local writers.

One of the most profound impacts of the industrial revolution<sup>72</sup> was the industrialisation of the printing industry leading to the mass availability of newspapers and novels, this in turn led to an increase in literacy levels. So it could be reasonably stated that the intangible offshoots of the industrial revolution were; an increase in the availability of information, a dissemination of ideas to the masses leading in turn to demands for better education and the formal development of copyright law<sup>73</sup> in 1710.

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<sup>72</sup> See Appendix 4 for discussion on Industrial Revolution

<sup>73</sup> One of the earliest judgements related to copyright law relates to a judgement given by King Diarmait Mac Cerbhaill in a case relating to the copying of a manuscript by St Columba circa AD561; “*To every cow belongs her calf, therefore to every book belongs its copy.*”

<https://www.ria.ie/library/special-collections/manuscripts/cathach.aspx>

While there was some publishing activity, printers remained the dominant element of the book trade because they had the competitive advantage of ownership of the means of production, and it was not until second half of the eighteenth century that the modern publishing industry began to emerge. The emergence of the modern publishing industry was due to a number of factors; the emergence of specific market power in the form of copyright legislation, improvements in the availability of education, the move (in England) from a rural based economy to an industrial economy as result of the industrial revolution, changing fashion, and the emergence of new knowledge as result of the industrial and scientific revolutions along with the political upheavals of the American and French revolutions. While these industrial, scientific, cultural and political revolutions saw a rise in demand for reading and education according to Alef (2010:L224), the invention of printing and the resulting availability of books, “fed the Renaissance, impacted the Scientific Revolution, and played a major factor in the Reformation.” In a resonance with this historic perspective on the impact of books and taking a global perspective, McCleery (2007:L2753) posits “...the book publishing industry has become one of the engines of the globalization of culture as much as it had been perceived to provide the motive power for the Reformation, Renaissance and the Enlightenment.”

The common perception of the book-publishing industry is one of confusion with the book-printing industry, this perception has historic roots as many of the early printers became publishers and historically many publishers had their own printing works. Describing the publishing industry as a commercial activity Feather, (2006:1) writes, “Publishing, as it is generally understood, is the commercial activity of putting books into the public domain.” in “a commercially viable physical form.” Book publishing is both a cultural and an economic activity, cultural in that it contributes to the artistic and academic spheres of a community through the dissemination of the written word, and an economic activity in that it generates employment and revenue. In economic terms book publishing is a component of the creative economy which Howkins (2001:x) describes in terms of the production of “creative product”, “Creativity is not necessarily an economic activity but may become so when it produces an idea with economic implications or a tradable product.”, he cites the book as an example of tangible creative product. The continual increase in the number of books being published also holds true today and particularly so in English-language publishing which has seen an increase in the numbers

of both authors and publishing houses resulting in an increase in the number of books published on an annual basis. The simple evidence of this is a visit to any bookshop to witness the vast array of new titles vying for shelf space.

Given the long history of the book publishing industry and the well-established nature of the book as both a technology and a product there is an element of complacency among some firms, as described by Leavy (1996:19) “The process of institutionalization at industry level makes the incumbents particularly insensitive to the outside threats.” He describes this insensitivity in terms of what the firm ‘knows’ in relation to its product and market. In the case of book publishing, the publishing firm ‘knows’ that ‘the market is not ready for e-books’ or ‘teachers will never adopt e-books’, this ‘knowledge’ becomes part of the ‘dominant discourse’ or ‘set of assumptions’ of the firm and as such are very difficult to dislodge. The complacency is manifest by a reluctance to change with the predominant view being that “books are different”. Sisson (1991), cited by Bavestock (1993:13), states, “‘Books are different’ was one of the most tedious and sloppily thought out pillars of traditional publishing. It enabled many people, who should have known better, to ignore the new challenges of communications and of the leisure industry as the world changes in front of us.” He continues, “there is a grain of truth in that shibboleth”. Bavestock (1993:16) identifies the role of the author and copyright law as a key factor in book publishing, “this involvement with individual creators is still a basic, and on a practical level significant, difference between the book trade and the rest of industry”. In my experience people at all levels in the book trade (from warehouse operatives to senior management) state the fact that they can respect to books, which they could not to widgets, makes books unique. The book is a cultural artefact, it has materiality, it embodies work, thought and creativity and there is a special respect for the written word.

The book business is well described by Spector (2009:L657), in a resonance with Bezos, “Book publishing and bookselling are the two sides of an inefficient business where publishers, suppliers, and retailers are involved in conflicting intentions. Months before they produce a book, publishers must determine how many copies to print, but they cannot come up with a number until they pitch the title to booksellers. To convince the booksellers to stock plenty of copies and display them conspicuously, publishers give their retail accounts permission to return unsold books for credit.” In educational publishing for the Irish primary and second level curricula, a similar situation pertains

where the firm through its sales representatives, gathers and collates school booklists in order to gauge demand and set print run requirements.

Shapiro & Varian (1999) argue that while the pace of technological change accelerates and the business environment change, economic laws do not change. In the case of book publishing while digital technology has been used in the production process for a number of years, the output of the production process is predominantly the paper book. While the transition to e-book output is relatively easy in that both physical and e-book formats are produced from the same source material (printer-ready<sup>74</sup> PDF files), questions arise as to how to change the production process to more easily accommodate the e-book output. What e-book format should be produced; how should e-books be marketed, distributed and sold; which titles should be produced in e-book format; should there be 'blended product' consisting of both physical and electronic formats; how is the process flow to be managed; what levels of expertise will be required? To address all of these questions successfully involves the publisher in a change process and requires the building and facilitation of a culture of innovation. In my experience, many of the innovations in a publishing firm have been in the area of back-office support, book distribution and selling. Those involved in the industry who do not work as publishers, i.e. are not directly involved in the acquisition, editing of content or the book production process, drive such innovations. Typical examples of such innovations are the use of ERP systems, EDI and e-commerce websites to sell directly to customers.

One of the key features of e-book publishing is that it places the entire publishing process back into the hands of the publisher; currently most publishers outsource their printing. E-publishing facilitates publishers managing the entire process from manuscript to customer, as had been the case when publishers owned their own printing presses. Generally, in the case of physical books, the printing and binding elements of the publishing process are outsourced, often abroad and in the case of small publishers, who have a distribution contract with a specialist book distributor, they may never get to see their physical stock of books as it arrives from the printers directly into the distribution warehouse.

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<sup>74</sup> Printer in this context refers to a high-volume, commercial printing works.

### Appendix 3

#### Copyright Law

Copyright law which according to Mokyr (2011:L6119) was established by “Queen Anne’s Act of 1710” and “was intended to “encourage learned men to compose and write useful books.”” However, “it did not cover Ireland and the American colonies, where British books were printed freely.” In essence, the objective of the Act was to provide a balance between the owners of the ‘work’ i.e. authors (or inventors) and the public good with a specified period of enforcement. In the case of written work the authors copyright remains in force for a period of 70 years after the year of death of the author. This has recently, and famously, been illustrated by the emergence from copyright of the works of James Joyce<sup>75</sup>. Works published during his (Joyce’s) lifetime entered the public domain in Ireland and the EU on 01 January 2012. Greco (2009:269) quoting Le Duc describes copyright law<sup>76</sup> as “in essence, a legal right granted to the author or originator of a literary or artistic work. “Copyright law provides a financial incentive for creativity while ensuring that *the public will* eventually gain full access to the copyrighted work.””

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<sup>75</sup> <https://joycefoundation.osu.edu/joyce-copyright/fair-use-and-permissions/about-law/public-domain>

European Union, United Kingdom, Republic of Ireland - All editions of Joyce's works published during his lifetime are in the public domain in these countries. An exception appears to be Spain, which has a copyright term of the author's life plus 80 years. Joyce's lifetime-published works will remain in copyright there until the end of 2021.

## Appendix 4

### Paperback – An Innovative Format for Books

While paper-covered books had been in existence for centuries, the innovation of the paperback format in the 1930's was to make books available to a wider audience. Feather ([1988], 2006:172) makes a distinction between paper-covered books and paperbacks, citing the earliest known example of paper-covered books from the late fifteenth-century. Such paper-covers were used to reduce the cost of the book and "because it was assumed that the item would be eventually bound".

By the 1930's publishers were facing the challenge of competition; new media in the form of cinema and radio coupled with the economic impact of the great depression and the use of libraries to borrow books. In addition, the price and availability of paperbacks is credited with transforming book borrowers (from libraries) into book purchasers. While these new media presented a threat to publishers they also generated a mass audience which lead to the cross marketing, known as the 'tie-in', between book and film in effect as McCleery (2007:L1468) posits, the "paperback democratised reading. Referring to the wider availability of education post WW2 as evidenced by 'The GI Bill of Rights in the USA and the post-war expansion of the universities in the UK", McCleery (2007:L1471) writes, "Paperbacks provided inexpensive vehicles for knowledge that could inform that education, formal and informal."

The paperback format owes its origins to the German publisher Albatross Books in 1931 but was most successfully commercialised by London publisher, Allen Lane in 1935, founder of Penguin Books. Lane's paperback format was successful because (similar to Amazon.com in the 1990s) he looked outside the book-trade for sales channels; most famously to Woolworths, his confidence in selling large quantities of "good books", the use of colour coding for different genres and the competitive price of sixpence. The combination of quality, availability, affordability and portability along with universal literacy enabled the successful establishment of the paperback format. In the context of the perception of the new paperback format as a threat to profitability, McCleery (L1463) comments, "Publishers were sceptical on initial publication. Booksellers feared a reduction in profits compared with hardcover editions, and, while Lane gambled on the buyers' tastes, initial print runs were high in order to keep the unit cost of production, and therefore retail price, as low as possible." Lane's innovation was to make the



paperback format acceptable to the book buying public and, through the creation of demand to the publishing industry. As McCleery (2007:L1466) observes, “Penguin, that had in the 1930s represented a risky experiment in the popularization of the book, today constitutes a multi-million pound business within the Pearson group of companies.”

## **Appendix 5**

### **Industrial Revolution?**

Does the move from a tangible (manufacturing) economy to intangible (knowledge) economy meet the criteria for an industrial revolution? Deane (1965:1) identifies a series of interrelated changes, which characterise an industrial revolution, these changes are more than technological changes and are characterised by “fresh ways of living”. According to Deane, there are seven features, which characterise industrial revolution;

- “Widespread and systematic application of science and knowledge to the process of production for the market
- Specialisation of economic activity for wide markets
- Movement of population
- Movement of labour between employment sectors
- Growth of new units of production and patterns of work
- Intensive and extensive use of capital resources
- Emergence of new social and occupational classes”

The arrival of cheap and powerful-networked computers has represented a major leap in technological advancement to the extent that some commentators speak of a new industrial revolution taking us in the post-industrial age. In my opinion, the cheap and powerful-networked computers provided the propellant for the revolution, which was manifest as the internet, described by Kelly (1998:13) as “ubiquitous electronic networks”. Initially computing power was harnessed and used by business to streamline internal process. One of the much-vaunted promises of computerisation was the ‘paperless office’; the opposite has been the case. In most work environments computerisation has enabled the production of ‘paper’. In practice one of the biggest benefits of ICT is the decentralised workforce or the people-less office, to date this has

not been widely exploited possibly due to command and control<sup>77</sup> style of management, the need for social contact in the workplace, the people-centric nature of some roles, lack of trust in some firms between various levels of the workforce. However, as fuel costs rise along with associated carbon-taxes tele working could present a 'green initiative' to firms as they seek to reduce costs and improve operational efficiencies and productivity through the elimination of commuting time. The benefits to society would include a better work life balance and increased family time for parents.

While the knowledge economy is dependent on the use and availability of 'ubiquitous computing', it is important to note that not all knowledge workers, indeed the vast majority, do not work in the ICT sector but it is fair to say that most would use ICT in the course of their work. While technology is a catalyst, in that it is an enabler and, driver of the knowledge economy it will not displace the need for both learning and leadership.

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<sup>77</sup> Command and control is, in view, concerned with the maintenance of authority and less so with accountability.

## **Appendix 6**

Kegan's paradigm of subject/object is well described by the poet Francis Ledwidge (19 August 1887 – 31 July 1917) in his poem 'After Court Martial';

My mind is not my mind, therefore  
I take no heed of what men say,  
I lived ten thousand years before  
God cursed the town of Nineveh.

The Present is a dream I see  
Of horror and loud sufferings,  
At dawn a bird will waken me  
Unto my place among the kings.

And though men called me a vile name,  
And all my dream companions gone,  
Tis I the soldier bears the shame,  
Not I the king of Babylon.